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DECEMBER 2009

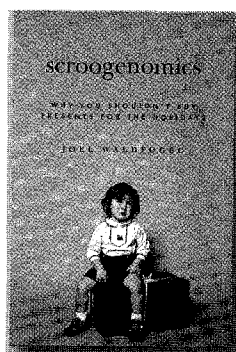
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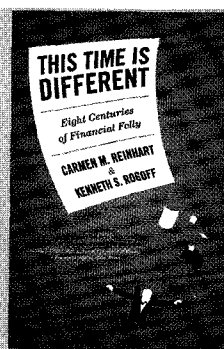
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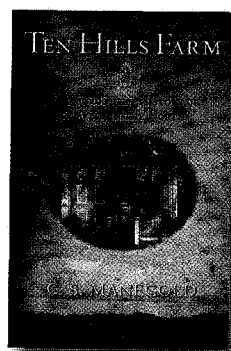
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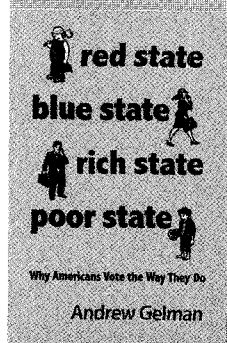
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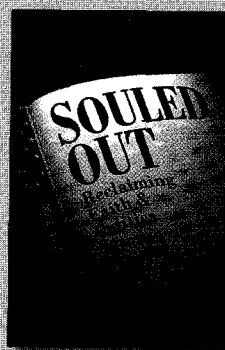
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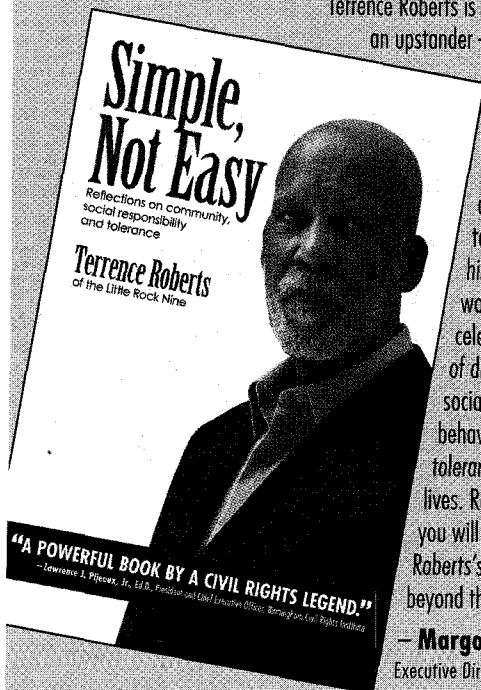
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BY RICK PERLSTEIN

Photo this page from a series that includes the "Migrant Mother" (page 49) taken by Dorothea Lange in California in 1936, courtesy of the Library of Congress

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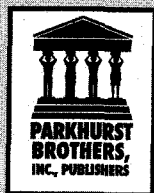
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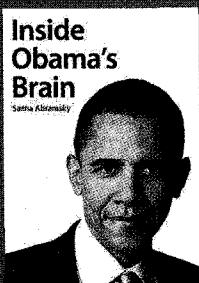
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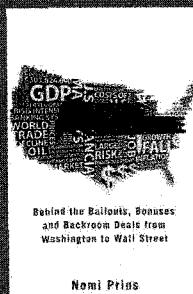
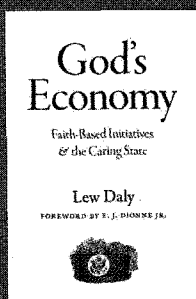
- a more equitable economy with widely shared prosperity and opportunity;
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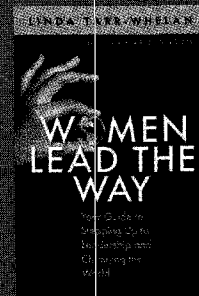
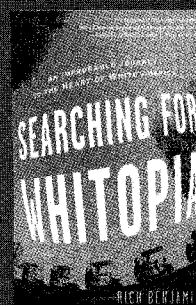
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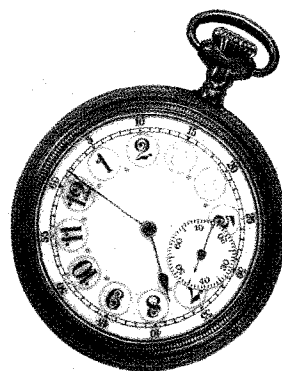
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Faster, Please by Paul Starr

The continuing rise in the unemployment rate, up to 10.2 percent in November, has to give a sense of urgency to Democrats in Congress and the administration about the work they have at hand before next fall's elections. In 2010 Republicans are looking to repeat the success they had in 1994 after Bill Clinton's first two years, and if Democrats do

not produce results soon, Barack Obama may suffer the same kind of midterm reversal as Clinton did.

The one good thing for the Democrats about the risk of losing control of Congress next fall is that, as Samuel Johnson said about the prospect of a hanging, it concentrates the mind. And it ought to concentrate congressional minds in two areas where the pressure is greatest to match promise with performance—the economy and health care.

It is now clear, as it should have been earlier, that the stimulus package passed in February was too small for this severe a recession and that more needs to be done to generate immediate growth in jobs. The original package didn't provide as much stimulus as its nominal cost, \$787 billion, suggested; \$70 billion went to fix what would otherwise have been an increase in the Alternative Minimum Tax, and during 2009 and 2010, cuts in spending by state and local governments will likely offset more than half of the federal stimulus.

Time has already grown short to do much that will affect voters' well-being by next fall, though measures like the recent extension

of unemployment benefits can help. A federal revenue-sharing program with the states would be a quick way to boost jobs; more robust mortgage foreclosure relief would particularly benefit the hardest hit states; and incentives to firms to spread hours among their workers so as to avoid layoffs could also cut job losses (as such incentives have in Germany).

Another focus for short-term action should be health care. The current bills in Congress have a painfully slow timetable for implementation. The House bill does include some valuable short-term provisions such as a national high-risk pool for the uninsured, some immediate limits on pre-existing condition exclusions, and a requirement that insurers offer coverage of children under their parents' plan until age 27. But most of the extension of coverage will not take effect until 2013, which will give opponents of reform two elections to reverse it.

The bills in Congress have delayed the rollout of reforms to reduce their apparent cost. A slow timetable is also unavoidable if the establishment of the new insurance exchanges is left to the states. But this is just to invite trouble, particular-

ly in red states that will balk at compliance.

To accelerate reform, Congress should put the exchanges into federal hands (as the House bill does) unless a state sets up an exchange by, say, Jan. 1, 2012. A state like Massachusetts, which already has a working exchange, could move even more quickly. The law should give such early-action states incentives in start-up funds

need to do more than they already have. Besides the short-term measures in the House bill, they ought to revive an idea that Sen. Max Baucus considered—a temporary opening of Medicare, on a subsidized buy-in basis, to people aged 55 to 64, during the intervening years before the larger reforms go into effect. Many people in that age bracket cannot find affordable coverage now, and if they didn't have to keep working to keep their health care, a significant number might retire, opening up jobs for younger workers.

Measures of this kind would be palpable evidence

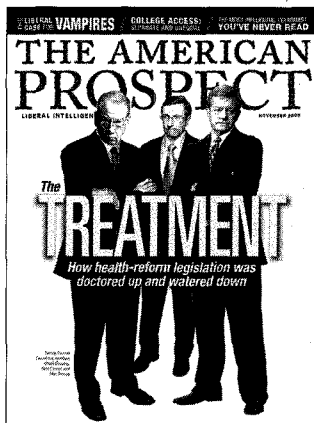
Democrats in Congress should focus on enacting job measures and health reforms that show voters immediate progress.

as well as more control over the program.

To pay for that faster timetable—and to increase insurance subsidies to lower-middle-income people, which is also vital to avoid a backlash—Congress needs to face up to some hard choices on taxes. It may turn out to be a good thing that the House and Senate bills have different provisions for raising revenue. The conference committee could take some of both and raise more than either has proposed. That's the sort of compromise I could believe in.

But moving up that timetable still wouldn't help next fall, and here Democrats

to voters about the gains from a progressive program. But what if the economy limps along through next year? Obama himself may not be endangered in 2012. According to research by the political scientist Larry Bartels, presidents running for re-election have benefited when economic growth occurred late in their terms rather than at the start. Democrats running in 2010 have no such consolation, however, and if they lose effective control of Congress, much of the promise of Obama's presidency may be lost too. A little presidential impatience now would be a good stimulus in itself. **TAP**



BUYING HEALTH REFORM

From San Diego, blogger **MIKE TIDMUS** gives a shout-out to **SARAH LASKOW**'s piece ("Let's Make a Deal!") highlighting the various lobbyists who shelled out big bucks to influence the health-care bill. He writes, "Laskow takes a frequently stomach-turning look at the huge, well-funded lobbying organizations that are attempting to influence healthcare reform."

LIBERAL EDUCATION

Reader **KEITH KROLL**, a teacher, laments that November's special report ("Inequality Goes to College") neglected to address the role of education in forging an informed citizenry. He writes, "I appreciate the *Prospect*'s special report on higher education. It was disheartening, however, that even a progressive magazine would include such little discussion of the role and importance of the liberal arts and higher education in fostering citizenship and democracy. In particular, the national conversation about community colleges has become almost solely focused on job training and producing 'workers.' In such dire economic times the importance of an engaged

citizenship is of more, not less, importance."

DECENT MILLENNIUM

JEZEBEL's **ANNA NORTH** is skeptical of **MARK SCHMITT**'s claim (in "Title IX Dad") that Title IX—and the gender equality it required—fostered a generation of more humane thinkers. She writes, "There's plenty of evidence that millennials still have some work to do in creating a culture of gender equality, but I do notice that my brother's friends are more comfortable identifying as feminists than even my friends were at their age. And my brother has been, since his teens, more open-minded and quicker to call out prejudice for what it is than most of the boys I grew up with. Some of this is probably because he went to a very progressive high school, but some of it may come from the fact that he played Little League with girls."

INDELIBLE LINES

In response to **ADAM SERWER**'s review of **RICHARD ALBA**'s *Blurring the Color Line*, the author writes in to clarify that, unfortunately, erasing it altogether is an unrealistic goal. "I cannot imagine any plausible process that would, in the next several decades, lead to the disappearance of racial inequalities from American life," Alba writes. "If the ideal is impossible to attain, at least in the near future, then we are faced with choices among realistic options that may blunt the negative role of race. In this situation, it seems to me that the opening up of the labor market because of the exodus of the

heavily white baby-boom generation is a development to herald, especially because it is quite likely to be associated with greater fluidity of ethnoracial boundaries. However, it is also going to present a time-limited opportunity. It follows that those of us who care about racial inequality ought to think about ways to take maximum advantage of it."

MYTH BUSTER

Reader **STEVE STRICKLAND** praises **TIM FERNHOLZ**'s piece ("The Myth of Too Big to Fail") debunking the com-

mon financial-crisis catchphrase. He writes, "It was a pleasure to read an article on a relatively complex subject that not once resorted to bashing Bush incompetence or Obama socialism. Mr. Fernholz may be right, wrong, or somewhere in-between, but his article was lucid and reasoned."

Write to us at letters@prospect.org or to The Editors, The American Prospect, 1710 Rhode Island Ave., NW, 12th Floor, Washington, D.C. 20036. Or join the conversation online at www.prospect.org

FROM THE EXECUTIVE EDITOR

The cultural and social assumptions underlying our politics change slowly, but they do change. We've lived for decades with the assumption that "tough on crime" policies and mass incarceration are politically inevitable, but as Adam Serwer reports in this issue, a new approach to criminal justice is taking hold in several states, with programs that focus less on incarceration and more on reducing recidivism. And, Gabriel Arana reports in our cover story, it's possible that the long road toward marriage equality could end not just with gay marriage but with an affirmation of equal rights for gays and lesbians unimaginable a decade ago. Arana, who joined our editorial staff in July, explores the wide range of possibilities and pitfalls opened up by the decision to bring a constitutional challenge against California's Proposition 8.

Progressives should also be willing to challenge our own assumptions, and sociologist Dalton Conley argues in this issue that one such assumption is that reducing economic inequality should be a central goal of public policy. Elsewhere, Bob Kuttner debunks the notion that only committee chairs and administration officials control the fate of financial reform. A relatively unknown senator, Maria Cantwell of Washington, has, by virtue of her brains and diligence, emerged as a key player in the debate over reform. And Tara McKelvey reports on the complicated fate of democracy promotion as a component of U.S. foreign policy: George W. Bush's rhetorical coupling of "democracy" with militaristic foreign policy has poisoned the word so the Obama administration has been reluctant to use it. But in this case, is simply distancing ourselves from Bush-era policies the best course of action? As Obama nears the end of his first year in office, these are the sorts of questions we're asking. —MARK SCHMITT

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and General Motors rob
taxpayers and endanger
our highways

Up Front



Push Comes to .GOV

How federal agencies learned to stop worrying and love Web 2.0

BY PHOEBE CONNELLY

Barack Obama, widely heralded as the first “Internet president,” is inseparable from his BlackBerry and delivers a weekly address on YouTube. The White House has its own Flickr stream. Senators now duke it out via Twitter. (The Supreme Court, or at least its Web site, seems firmly moored in the late 1990s.)

But in government agencies, where civil servants and agendas are correctly outside the influence of whoever resides in the White House, the online revolution is moving a bit more slowly. On a rainy fall day, some

100 agency workers gathered under sparkling chandeliers in the ballroom of Washington, D.C.’s Willard Hotel for a day-long seminar on the finer points of using Facebook, Twitter, YouTube, and even virtual worlds such as Second Life.

“You can personalize your avatar to look similar to yourself, although I don’t know many people that do it exactly the same. I’m much thinner, younger, have flowing black hair,” said Paulette Robinson, an assistant dean at National Defense University who goes by Paulette Darkstone in Second Life. She

logged in to show the audience one of the virtual meeting places NDU has set up.

“I’m going to do flying, but I’m not very good at it; I’m just warning you,” she said. The raven-haired Paulette Darkstone avatar promptly smacked into a tall pine tree.

Welcome to the brave new world of Government 2.0.

The seminar, put on by the nonprofit Potomac Forum, was billed as an introduction for civil servants to the ever-expanding world of social media—online tools (such as YouTube for videos, Twitter for short updates, Flickr for photos, Facebook and MySpace for social networking) that anyone can use to

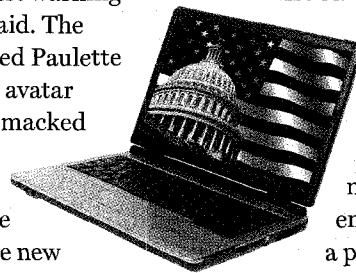
create and share content.

“[The Obama administration] is definitely leading the way. [But] I would argue it probably would have happened regardless,” Dennis Papula, director of the Information Technology Policy and Compliance Division at the U.S. General Services Administration, tells me. The GSA is a bit of a gap-filler agency—formed in 1949, it manages federal buildings, sets procurement and travel policy, and administers government Web sites. Papula (who joked at the start of his panel that he is the “token guy in the dark suit and red tie”) says GSA is the first agency he knows of that has come out with a comprehensive social-media policy.

While it’s laudable that agencies want to enter the 21st century, some questions remain:

Why should anyone care if Federal Emergency Management Agency employees have a presence in Second Life? Would anyone want to befriend the Transportation Security Administration on Facebook? Does anyone really want to read the GSA’s Twitter updates? (Boredom in 140 characters or less: “Save money this fall with these no-cost and low-cost energy-saving tips.”)

Kyle Carothers, a media producer at the National Oceanic and Atmospheric



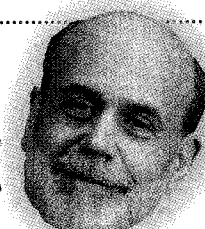
ERIC PALMA

THE QUESTION

What is the leading indicator for you that the recession is over?

"When the astroturfers can afford to say 'no' when someone offers to pay them to scream at a health-care town hall."

—Lee Camp, *Laughing Liberally*



"Ben Bernanke shaves his recession beard."

—Amanda Terkel, *ThinkProgress*

"We can finally buy new clothes to replace our 'Hope' T-shirts."

—Justin Krebs, *Living Liberally*

Administration, started the agency's YouTube channel in 2006, making NOAA the first government agency to sign an official partner agreement with the service. But even he acknowledges that agencies should use social media only as it's applicable to their agency's mission. "If your Web site doesn't produce video-friendly content, why produce it?" he asked.

The problems government agencies face as they start using social media are the same issues faced by any organization that wants a significant online presence: dealing with comments, coming up with content, and striking the right tone. FEMA's Jodi Cramer described the agency's comment policy without missing a beat: "If people say, 'FEMA, you suck,' we'll post it. If they say, 'FEMA, you f---ing suck,' we won't."

By design, social-media tools promote interaction between citizens and the often byzantine world of federal agencies. When the TSA launched its blog in January 2008, it received more than 2,000 comments in the first three days. "Kudos to TSA for starting off on the right (albeit a shoe- and bootie-less) foot," wrote *Wired* magazine of the site, creatively named The TSA Blog. "Passengers were finally able to vent to the TSA—they aren't really (continued on page 11)

PARODY BY T.A. FRANK

"[Republicans] protested that the [climate change] bill's cost to the economy ... had not been fully examined. ... [Sen. George Voinovich] said an analysis by the EPA ... falls far short of what is needed." —AP

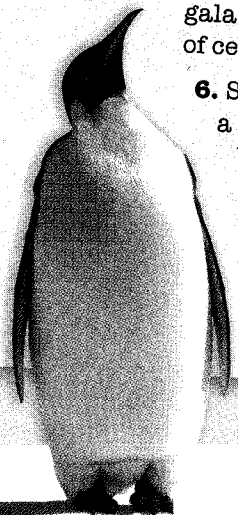


Dear EPA analysts,

We are disappointed in your latest analysis of the proposed climate-change legislation. It seemed rushed, sloppy, and, frankly, passive-aggressive.

We have some major issues we'd like to see you address properly before we rush headlong into a rash project to taper off carbon emissions.

1. It has come to our attention that in every carbon-dioxide molecule, there are two oxygen atoms and just one carbon atom. That's not something we've seen anywhere in this analysis. Someone has some explaining to do.
2. Rep. Michele Bachmann has pointed out that this legislation could quite easily lead to a communist dictatorship. Please revise your report to address the question of whether sufficient safeguards are in place to prevent Stalinism.
3. Tony Perkins of the Family Research Council has observed that the effort to control global warming is a new Tower of Babel, with man attempting to manage his own affairs without God. In no part of your analysis do you engage with this idea. That's disrespectful.
4. Global warming has been a concern for less than three decades, and now it's rush, rush, rush. We suggest a proper and thorough focus on the facts and propose devoting 1 million American dollars to fund a 10-year study into every aspect of global warming, especially its effects on penguins, baby harp seals, and all those other great animals beloved by Democrat and Republican alike.
5. One of our ranking committee members recalls reading a comic book as a kid in which a giant "space pump" sucked water from the earth to the moon. If we can do that kind of thing, surely we can suck some intergalactic cold air into the core of the earth and have a kind of central A/C. Just a thought.
6. Sen. James Inhofe has asserted that global warming is a giant hoax. If that's true, what's all this cap'n-trade business about? Riddle us that, EPA.
7. You left off an "e" on the word McGeehee. Please run spell check and proofread several dozen times if you want us to even consider reading this thing again in a few years.



T.A. Frank is an Irvine Fellow at the New America Foundation.

CAP-AND-TRADE'S CIRCULAR LOGIC



(continued from page 9)
comfortable doing it at a checkpoint,” said Curtis “Blogger Bob” Burns, who helms the blog. He admitted that he still struggles to strike a conversational tone. “Just like if I met you at the grocery store, that’s how I try to write,” he said.

The blog has provided a way for the TSA to rapidly respond to its critics—of which there are many. When a mother’s account of having her son taken from her while going through airport security began making rounds in the blogosphere, Burns posted a response. “As a father of two small children, I empathized with her about the alleged circumstances,” Burns wrote. However, he also posted a full video of the woman’s screening, which showed that her account was, in fact, false.

Still, agencies cannot always play by the super-confessional rules of social media. “One of the biggest challenges for a government blogger is to be transparent. There is some information you just can’t share,” Burns told the crowd. He cited the 3-ounce rule for liquids in carry-ons—he’s been thoroughly briefed on the reasons for the measure, but he’s not allowed to tell his readers.

While the government is scrambling to adjust to emerging technology, that technology might have to do some adjusting to government (and its myriad regulations). Federal IT is required

by law to be accessible to those with disabilities and “frankly a lot of the services themselves aren’t accessible,” Papula says. “If you’re blind, and you use a screen reader, if a page isn’t coded right, it can’t make sense of that.” If social-media sites are forced to comply with the government’s standards, accessibility would likely increase.

Getting agencies to use social media is also increasing the availability of government data—a rich source that’s already being tapped. Everyblock, a start-up site that was recently acquired by MSNBC, syncs up city government data with news feeds and street-level maps. When Google expanded its popular Google Earth mapping and aerial-images feature to the oceans, it used NOAA video.

Creating a Twitter account isn’t the same thing as flinging open the files, but it’s a start. Just as you may never have known about your co-worker’s obsession with early ’90s R&B in the pre-Facebook era, maybe social media can illuminate some of the dusty corners of the federal government.

After explaining the hoops he jumped through to launch the NOAA YouTube channel, Carothers loaded it up, showing the seminar attendees a video of deep-sea creatures. “We have a shot of some nice critters. Isn’t he cute? This nice little shrimp?”

Maybe government is getting the hang of the Internet after all. **TAP**

DIALOGUE PACKING HEAT

Should weapons be allowed on Amtrak?

ADAM SERWER: The Senate just voted to allow guns on trains. I don’t see the problem.

ALEXANDRA GUTIERREZ: Well, there are a few. As the legislation is written, Amtrak has to make sure that handguns can be checked on trains by next April. Otherwise, it doesn’t get its funding. But that’s going to be difficult. Right now, you can’t check anything on most Amtrak trains—30 percent of trains don’t even have checked-baggage compartments.

ADAM: Well, the pace of the legislation is a problem, but in principle I have no problem with people being able to check their locked and secured weapons on a train. Even the Brady Campaign to Prevent Gun Violence said they weren’t opposed.

ALEXANDRA: Given the way stations and trains are set up, it’s an undue burden.

ADAM: No one wants to be responsible for creating long lines at train stations.

ALEXANDRA: Right—checked baggage is not in the nature of train travel.

ADAM: The ban on guns was instituted for “security reasons” after 9-11. The last eight years have been a terrible inconvenience for people trying to travel with their firearms.

ALEXANDRA: Like hunters, supposedly. Sorry, but do a lot of Beretta-toting deer hunters regularly take the Acela?

ADAM: Who cares what your gun is for? If you want to travel with it, you should be able to, as long as you do so safely.

ALEXANDRA: It’s just gun-rights activists throwing their weight around.

ADAM: The gun lobby isn’t always wrong just because they’re the gun lobby. The gun ban is totally dumb. If you’re a terrorist, you’re just not going to obey the law.

ALEXANDRA: I agree that checked guns aren’t going to prevent a Great Train Robbery situation. But it’s going to cost a lot of money to change this entire system on a timetable that doesn’t make any amount of sense, just to placate the gun lobby.

ADAM: The timetable is too steep, but we’re talking about constitutional rights here. Conservatives cherry-pick rights to care about—we shouldn’t do that.

ALEXANDRA: So are you opposed to all gun bans?

ADAM: The ban in public schools makes sense. The ban on people traveling on trains with secure guns doesn’t. Especially since the Amtrak gun ban was instituted to prevent terrorism—something it won’t prevent.

ALEXANDRA: Yeah, it’s a terrible law in the first place but the legislation that’s going to replace it will screw over commuters.

ADAM: Right, so the timetable should be lengthened or gun owners should just be allowed to carry their gun in secure locked compartments in carry-on luggage.

ALEXANDRA: Both of those solutions would be copasetic.

ADAM: I guess you’re not a total freedom-hating liberal then.

ALEXANDRA: No, I love me some freedom.





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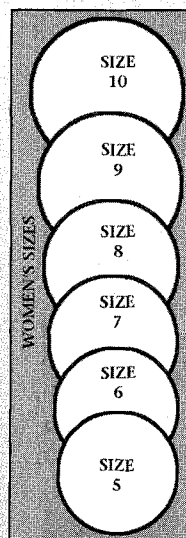
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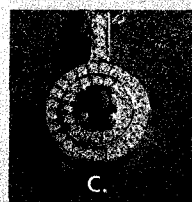
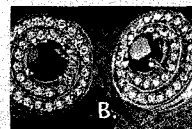


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Changing the Tone by Mark Schmitt

Of all the aspirations set out by the newly inaugurated Obama administration one year ago, the promise to reduce the level of acrimony in American political life is the one that has most plainly gone unfulfilled. And that's not surprising—it's always risky to make a promise that depends on someone else cooperating. To induce failure in Barack Obama's

central promise, all conservatives needed to do was to stir up acrimony, which isn't very hard. While this is not a period like the late 1960s where the country seems hopelessly divided, the white-hot fury of the minority exceeds anything from the left during the Bush years. The right-wingers who claim to feel, as Rep. Michele Bachmann puts it, that we are "losing our country" seem to be, if anything, overrepresented among mainstream elected Republicans, including perhaps dozens of members of Congress.

Many on the left are happy to see Obama's promise broken, because they think it should never have been made in the first place. They say anyone who witnessed the Clinton impeachment farce, the 2000 election recount, or the winner-take-all politics of the Bush years should understand that the tone of American politics won't change. There are enemies who won't be appeased by an open door and a soft voice. For those critics, the White House's willingness to name Fox News as a partisan operation was a welcome, overdue recognition of reality. In this political atmosphere, they argue, lasting social progress will not be possible unless Democrats are willing to

adopt the ruthless parliamentary tactics of the Bush years, and perhaps go beyond them.

Indeed, there is an aggrieved minority in this country—maybe 15 percent to 18 percent of the population—that will not go away. Their grievances are couched in terms of the health-care bill, government spending, or gun rights, but it all boils down to race. It's not just that the president is not white. It's that for the first time since President Rutherford B. Hayes ended Reconstruction, the white South does not control the country. In every political configuration we've known, whether under Democratic or Republican presidents, white, mostly Southern conservatives held the balance of power. They were the unyielding, aging committee chairs of the 1950s and 1960s, the heart of Nixon's "Southern Strategy." They were the essential electoral votes for Democratic presidents like Bill Clinton and Jimmy Carter, and by the time of the Bush administration, they not only dominated the party but the House and the Senate.

Today, they have nothing. As the Republican Party contracted around its white Southern core, that core became powerless, irrelevant. And its constituents and representatives became

furious. They really had "lost their country"—that is, the structure of power as they had known it. Not all the tea partiers are Southern, of course—Bachmann is from Minnesota—but the white South has always had satellites throughout the country.

This displaced minority cannot be allowed to set the tone for American politics. While the promise of a more open, collaborative form of

on Capitol Hill. (Inviting Republicans for coffee only works with Sen. Olympia Snowe of Maine.) It has to start on the ground. There are glimmers of hope in new structures for deliberative democracy, alternatives to the angry town meetings of the summer of 2009.

For example, the Congressional Management Foundation and several universities recently studied a series of online town-hall meetings on the flashpoint issue of immigration, involving members of Congress and their constituents. The research found that with participants recruited to represent the whole com-

Most citizens want to be heard, but we can't let an angry minority speak for them.

government may have been naive, it was a good goal. Many Obama voters, including the independents and disgruntled Republicans who made him the first Democrat since Lyndon B. Johnson to win a solid electoral majority, were persuaded by that promise. Changing the process of American politics is not only a worthy goal but a necessary prerequisite to continued progress. The mission of progressives (not just Obama) is to find ways to prevent the angry minority tone from spreading, to hold the contagion. Most citizens want to be heard and have grievances of their own. The angry minority should not speak for them.

This change can't begin

community, and light moderation, the discussion was civil and productive, and unlike the summer health-care town halls, participants came away enthusiastic, better informed, and more likely to vote.

Most such deliberative initiatives are still at the experimental stages, and they may well seem soft and civic, inadequate to the challenge posed by the unyielding partisans. But by building these processes up to scale, and giving people new ways to make their voice heard in government, we might be able to contain the venom and achieve Obama's promise by building structures for citizen participation that bypass the angriest faction. **TAP**

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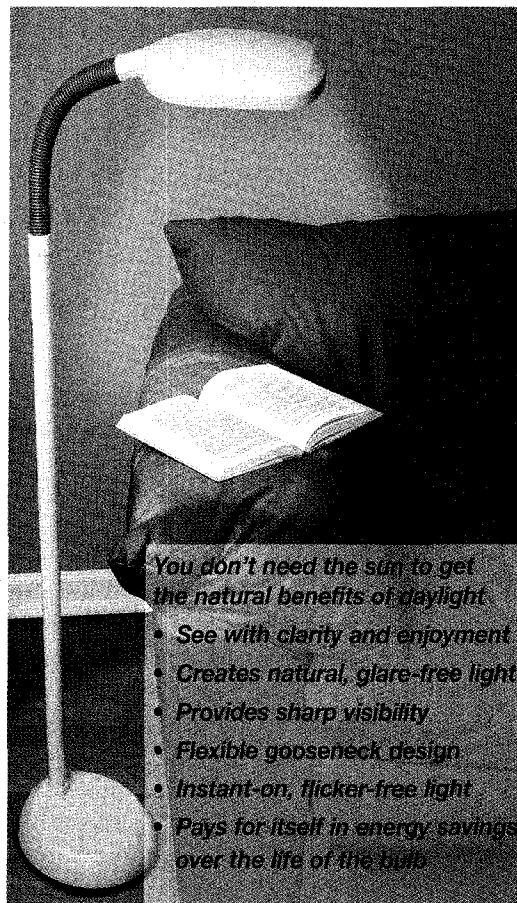


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The Company We Keep by Ann Friedman

Several years ago, *The American Prospect* held a “What is Liberalism?” contest. The winner, Todd Washburn, submitted this definition: “Liberals believe our common humanity endows each of us, individually, with the right to freedom, self-government, and opportunity; and binds all of us, together, in responsibility for securing those rights.”

The first part of that statement is easy to embrace. We call ourselves liberals because we share a certain set of beliefs. The second part—about our responsibility to act *together* on those beliefs—is where things get tricky. Progressives do not live in a bubble. Despite our commitment to equality and opportunity, the movement reflects the biases and hierarchies of the rest of the country. We might all agree that gay couples deserve marriage rights and women must have access to reproductive health care, but when it comes to devising a political strategy and policy agenda, these are inevitably issues that always seem to slide quietly to the back burner.

In the wake of the passage of the House health-reform bill and its attached anti-choice Stupak-Pitts Amendment, the conversation happening among progressive women was viscerally angry and palpably fearful. The broader liberal conversation was very different—one in which the amendment was regrettable but unavoidable in the interest of the greater good. It is moments like this, with Democrats in control of Congress and a nominally progressive president

in the White House, when it becomes painfully clear that in reality we do not all take on the same level of responsibility for securing the rights in which we claim to believe.

We rely on gay-rights groups to battle it out alone for marriage rights in Maine. We expect feminists to secure abortion rights in health-care reform legislation. We look to the NAACP to effectively respond to racist statements about Obama. And yes, those groups will work hard for those goals. But when they fall short, they are not the only ones to blame. It's fair to look at the entire progressive coalition and ask the hard questions about our movement: What's the use of having a community, a coalition, if you aren't going to fight for each other? Are we amplifying the voices of those whom we hope to empower or silencing them? Whose “greater good” are we really pursuing?

After all, “special interest” issues do not exist in separate silos. Labor rights are tied to gay rights are tied to women's rights are tied to immigrants' rights. If what binds us together as progressives is our vision for a more just society, it is our commitment to *all* of these

issues that will define us. There is already some recognition of this. At the AFL-CIO convention this fall, several speakers referenced the rights of LGBT workers. NAACP Chair Julian Bond gave a keynote address at the National Equality March for gay rights. This doesn't mean everyone must be an advocate for every single progressive issue. Each of us has a different

most likely to identify with the liberal worldview—women, people of color, LGBT people, disenfranchised workers—are those who have experienced a lack of freedom and opportunity themselves. They are then motivated to broaden their scope and see how injustice also affects other Americans. It is the progressive movement's commitment to these people—its base, its core—that will ensure its long-term survival. If we continue to compromise on the concerns of those people, or dismiss them as “special interests” working against an imaginary great-

If each liberal “special interest” group is actually just in it alone, what's the point of a common ideology?

metric for separating the political negotiables from the nonnegotiables. But I do expect the liberal coalition to understand that these issues are interconnected. I expect a modicum of recognition that some issues seem to consistently be given priority over others. I expect progressives to consider why that is—and who wins and loses as a result.

We can't work from sweeping visions of liberalism on down. We have to work from concrete rights and opportunities on up. Think of it this way: White men are the least likely Americans to identify as progressives. The people

er good, we will ultimately render our shared concept of liberalism totally meaningless. After all, if each group within the coalition is actually just in it alone, what's the point of subscribing to a common ideology at all?

As Ta-Nehisi Coates recently wrote on his blog at *The Atlantic*, “How do you have responsibility without community? Perhaps, you can, but I can't really imagine it for myself. What so often keeps me in line, and has kept me in line over the years, is not my own expectations, but the expectations of family and friends.”

It's time liberals expect more of each other. **TAP**

Gay on Trial

Why more than marriage is at stake in the federal legal challenge to Prop. 8

BY GABRIEL ARANA

On Nov. 4, 2008, when the polls closed on the West Coast and media outlets reported that California voters had passed Proposition 8, gay-rights supporters across the country were stunned. How could the purported gay haven of *California*—home to Hollywood, Harvey Milk, and the Castro—have rejected same-sex marriage?

It was an odd cultural moment, infused with the countervailing energy and promise of Barack Obama's victory. While progressives across the country danced in the streets chanting, "Yes We Can," angry gay-rights supporters gathered on the steps of the state Capitol in Sacramento carrying signs that expressed their indignation: "No More Mr. Nice Gay." As Obama declared in his victory speech, the ground had shifted, but in the Golden State, it had moved in opposite directions.

After months of scapegoating, soul-searching, and regrouping, gay-rights leaders settled on a two-part strategy: Fight the measure in state court and work on overturning it at the ballot box in 2010 or 2012. The state Supreme Court challenge to Prop. 8, which argued that the measure was not an "amendment" to the California Constitution but a "revision" requiring legislative approval, was widely considered a long shot. Few were surprised when the court upheld Prop. 8.

What did come as a surprise was the news, that same day, that two relative strangers to civil-rights litigation, David Boies and Ted Olson, had filed a suit against the amendment in federal court. It was a decision so rash that it could only have come from outsiders. Olson, a prominent figure in the conservative legal movement, had represented George W. Bush in *Bush v. Gore*, a case in which he faced off against Boies, a high-profile lawyer who made his name defending Wall Street, not civil rights. They intend to take their challenge to Prop. 8 all the way: The case, *Perry v. Schwarzenegger*, is scheduled to go to trial in January, and it is widely expected to move on to the 9th Circuit Court of Appeals and the Supreme Court.

After the announcement, nine organizations—including Lambda Legal, Human Rights Campaign, and the American Civil Liberties Union—shot back with a joint memo warning, "There is a very significant chance that if we go to the Supreme Court and lose, the Court will say that discrimination against LGBT people is fairly easy to justify."

At the press conference announcing the suit in Los Angeles, Olson dismissed this concern with a dash of self-mockery. "Both David and I have studied the court for more years than

probably either one of us would like to admit," he said. "We think we know what we are doing."

For decades, groups like the ACLU and Lambda have taken an incremental approach to fighting for gay rights in court, concentrating on establishing legal precedents and popular support in states before going federal. In California, Connecticut, New York, and Iowa, gay-rights attorneys have pursued many big-ticket cases, with mixed results. But in federal courts, their aims have been more modest; it was only in 2003 that Lambda succeeded in decriminalizing sodomy nationwide.

To some, both within the movement and outside it, this tentative approach has been frustrating. As Olson said, "People should not have to beg to be treated equally or wait for decades for popular approval to be treated equally." But even among those of us who believe LGBT Americans deserve equal rights *now*, the fear is that jumping the gun will lead to harmful court precedents and social backlash, as it did when the Hawaii Supreme Court ruled in favor of civil unions in 1993. Over the next 10 years, bills banning same-sex marriage were passed in 40 state legislatures. Some also blame the Hawaii decision for inspiring the 1996 Defense of Marriage Act, which prevents the federal government from recognizing same-sex marriages performed in the states. Strategy matters, gay-rights leaders say, because the threat of backlash hasn't gone away.

"The debate is never about whether equality means equality for gay people, too. There have been debates about timing as long as there have been queer people to have a conversation," says Jennifer Pizer, the Lambda attorney who argued the state-level challenge to Prop. 8. "The question always is a matter of how much development of the doctrine and how much social and political change should be achieved before asking the ultimate question."

Perry v. Schwarzenegger indeed asks the "ultimate question" of whether gays have a federal right to marry, but because the case is alleging that Prop. 8 violated the equal-protection clause of the U.S. Constitution, the federal court decision will have implications for gay Americans in nearly every arena of public life, from housing to parenting to military service. The court is set to consider questions as wide-ranging as what it means to be gay and whether it affects one's contribution to society. It's not just marriage rights on trial; it's homosexuality itself.

Organizations like Lambda and the ACLU may have had their reservations about bringing the case so soon, but the groups grudgingly attempted to join Olson's federal chal-

lenge because it will have such widespread implications. However, Northern California District Court Judge Vaughn Walker ruled in August that their interests were already represented and barred all groups except for the San Francisco city attorney's office from entering the suit. This leaves Boies and Olson at the helm of the largest gay-rights case to date.

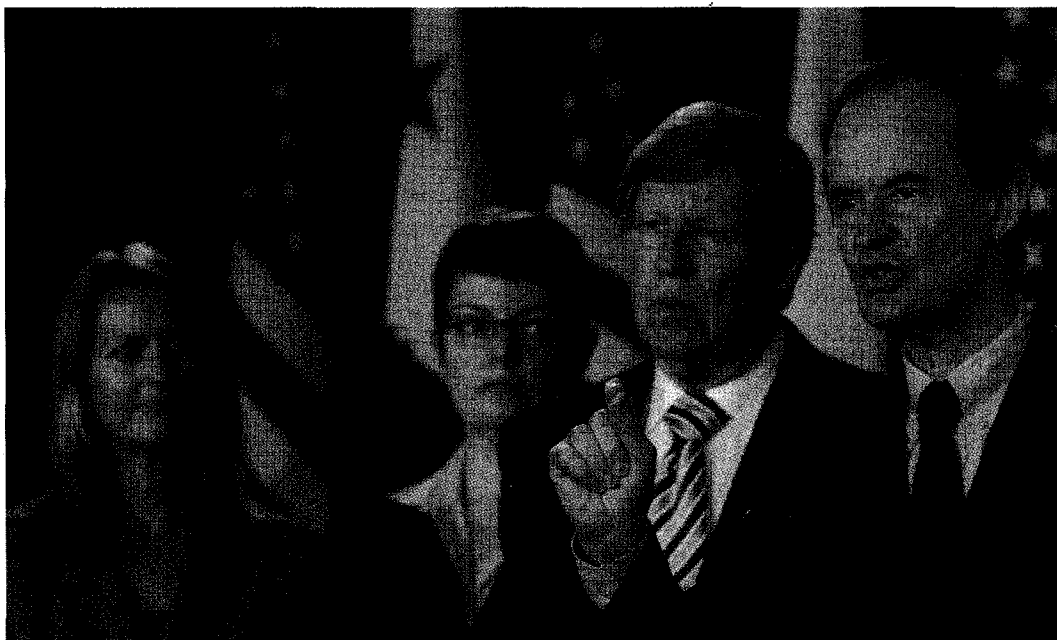
Attorneys at Lambda and the ACLU expressed dismay at Judge Walker's ruling but have offered their advice to Boies and Olson and plan to continue filing amicus briefs, even if they are not official parties to the

suit. However, gay-rights advocates not directly involved in the litigation—and not bound by legal etiquette—are more wary. “It’s very sweet to think that we’re going to win on moral grounds, but it’s naive,” says E.J. Graff, resident scholar at the Brandeis Women’s Studies Research Center. “They have no real grasp of the bias facing lesbians and gay men, or of how to make lasting social change.”

The fact that two straight, white-shoe lawyers have taken on the case shows the broad support gay rights have gained. But there is also the sense that Boies and Olson stand to lose nothing. The possible reward, on the other hand, is clear: For two attorneys who have pursued high-profile cases throughout their careers, this could be the defining win that puts them in history books. *Perry v. Schwarzenegger* is one of the rare cases that redraws battle lines and upsets traditional alliances. Like *Brown v. Board of Education* or *Roe v. Wade*, it has the potential to change American life.

THE STAKES ARE HIGH. If *Perry v. Schwarzenegger* reaches the Supreme Court and Boies and Olson are successful, gays and lesbians nationwide would not only have the right to marry, they stand to gain many of the legal rights they have sought for decades. Don’t Ask, Don’t Tell would be invalidated, as would employment discrimination against gays and lesbians. In the eyes of the law, gay people would be equal to straight people, and any legislation that discriminated against them could be challenged and easily struck down against this precedent. However, defeat could legitimize such discrimination against LGBT Americans, making it far more difficult to sue for parental or housing rights. The door to any federal litigation on marriage equality would be shut for decades.

This is risky because Boies and Olson are entering a legal no-man’s land. The coalition of lawyers who fought to over-



The Next Round: Plaintiffs Sandra Stier and Kristin Perry listen as attorneys Ted Olson and David Boies announce their federal lawsuit to halt California’s same-sex marriage ban, May 27, 2009.

turn Prop. 8 at the state level decided not to mount a federal challenge “because federal litigation puts in play the federal doctrines that as yet are underdeveloped,” Pizer says. Marriage and family law tend to be state law, she explains, and the federal framework is sketchy.

This is why the judge in the case has asked the plaintiffs (Boies’ firm, Boies, Schiller & Flexner, and Olson’s firm, Gibson, Dunn & Crutcher, and the City of San Francisco) and the defendants (supporters of Prop. 8, represented in this case by Charles Cooper, former assistant attorney general under Ronald Reagan, and the conservative Alliance Defense Fund) to address a broad range of issues, from whether gay people make suitable parents to whether a person’s sexuality is susceptible to change. In effect, the court’s primary undertaking will be to define “gay”—and to determine whether it is in the interest of the state to discriminate against people who fall into that category.

The law allows discrimination so long as it serves a reasonable purpose, such as ensuring public safety by preventing 5-year-olds from driving. The defense is arguing that it’s reasonable to discriminate against gay couples because restricting marriage rights to heterosexual couples “promotes stability and responsible behavior in naturally procreative relationships” and maintains the bond between children and their biological parents.

Boies and Olson are arguing that such discriminatory laws are illegal because gay Americans constitute a “suspect class,” a group of people—such as racial minorities, religious groups, and foreign-born citizens—who qualify for special protection. Laws that target these groups are immediately “suspect” and have to serve a “compelling state interest”—national security, for instance. Passing the law in question must be the only way of achieving the end. In practice, this standard is so high that once a group of people has been deemed a suspect class, courts nearly always find in its favor.

The legal issues in *Perry* mirror those in *Loving v. Virginia*, the 1967 case that struck down miscegenation laws. In *Loving*, the court ruled that there was no compelling state interest for outlawing interracial marriage and that marriage was a fundamental right. But unlike *Loving*, by which time race had already been established as a suspect classification, the Supreme Court has not previously considered whether gay people are a suspect class. Courts, though, have generally granted suspect classification to groups that are well-defined and possess an "immutable" trait; share a history of discrimination; and are politically powerless to protect themselves. In essence, Boies and Olson must prove that gay Americans deserve the same rights as everybody else because they are, paradoxically, different. The plaintiffs have said they will have psychologists and scientists testify that being gay isn't something you can change. To establish political powerlessness, Boies and Olson point out that there are no openly gay senators, governors, or Cabinet members and that gays and lesbians have been unable to get nondiscrimination legislation passed on a national level—facts that the defense has not challenged.

Even if Boies and Olson are not able to establish suspect classification, there is a Supreme Court precedent against discriminatory laws whose sole motivation is ill will. (In 1996, the court ruled in *Romer v. Evans* that a Colorado ban on nondiscrimination ordinances was driven solely by anti-gay sentiment and therefore did not have a rational basis.) That's why Boies and Olson also plan to show that Prop. 8 was motivated by prejudice. Despite pushback from the defense, the "Yes on 8" campaign has been ordered to turn over internal e-mail communications and strategy documents as well as allow its leaders to be questioned on the stand. Lawyers for the defense have said this tactic has a "chilling effect on [free] speech" and have called it a "fishing expedition," but those who support it say it will expose the anti-gay motivation that lies at the heart of matter.

Legal experts say getting judges to recognize gays as a suspect class will be a tough sell; the Supreme Court has long refused to make age or disability a protected category. And even those who think the legal arguments are compelling say that swaying a conservative Supreme Court is the real challenge. "If you just look at the criteria, they'll be able to make a very powerful case," says William Eskridge, a professor at Yale Law School who was involved in gay-marriage litigation in the early 1990s. "[But] if the case comes to the Supreme Court in the next three years, given its membership, the conventional wisdom is that they don't have five votes."

But Boies and Olson maintain that the legal landscape has changed significantly in the wake of court decisions like *Romer* and *Lawrence v. Texas*, which decriminalized sodomy in 2003. These cases, they argue, have chipped away at the legal justifications for discriminating against gays and lesbi-

ans, making the court more likely to see them as a persecuted minority. "We think we have a very strong argument based on the factors the court has identified in establishing a suspect class," says Theodore Boutsos, a partner at Gibson, Dunn, & Crutcher who is co-counsel with Olson. "We are confident the courts will agree with us."

Prop. 8 defendants are fighting the classification of gays as a protected minority on two grounds. First, they say, gays are not politically powerless. "They're pointing out so far that Harvey Milk was elected," Boutsos says. "That's a weak argument."

Second, the defense argues, homosexuality is not an unchangeable characteristic. This is where things get weird. Defense lawyers plan to subpoena California's domestic-partnership and marriage registries and note any matches. They also argue that sexual orientation falls on a continuum and that sexuality is "fluid," a decidedly nontraditional view that has taken root in college queer-studies departments but not the sort of thing you'd ever hear from Focus on the Family's James Dobson.

Eskridge calls the debate about whether homosexuality is immutable a "lavender herring." He points out that religion is fairly easy to change, yet Catholics and Jews are considered protected minorities. The real question both sides should be looking at, he says, is whether sexuality is a central component of one's identity. As Olson pointed out at an October pre-trial hearing in which the defense sought to dismiss the case, "An individual does not experience constant shifts in his or her sexual orientation."

Boies and Olson, however, are hedging their bets. If the courts find that gays do not qualify as a suspect class and do not have a fundamental right to get married, then all the Alliance Defense Fund has to do is show that barring gays from

marrying serves some reasonable purpose, which is why both sides are also arguing about what marriage is for.

As one might expect, the defense has argued vigorously that marriage is for procreation and that extending it to gay couples is a risky social experiment. But their arguments in court share little of the vitriol of the "Yes on 8" ads, which warned California voters that children would be taught about homosexuality in school and that pastors would be required to perform same-sex marriages. In contrast, those representing Prop. 8 in court have stipulated that being gay does not affect one's social or vocational abilities and that it's not a mental illness. And while they assert that sexuality is malleable, they acknowledge it might be harmful to try to change it (a radical departure from the talking points of many organizations that supported Prop. 8, which maintain that people can be "cured" of homosexuality). There's also been little talk about whether it's morally wrong to be gay and no mention of the "homosexual agenda."

Instead, attorneys who oppose gay rights increasingly use

The plaintiffs argue that gays deserve the same rights as everybody else because they are, paradoxically, different.

"judicial activism" or "religious liberty" as a proxy for talking about gay marriage. Defense co-counsel David Thompson says he would not personally support gay marriage if it were enacted by a legislature or via referendum, as it was recently in Vermont, but "it would be lawful." He continues, "It's perfectly permissible for people to make that determination."

Eskridge thinks the defendants are afraid of being perceived as bigoted. "Now that we've had legislatures starting to do this, the opponents see the likelihood that a large chunk of America will recognize same-sex marriage," he says. "They do not [want to] go down in history as the George Wallaces of the same-sex marriage episode."

THERE IS SOMETHING FARFARICAL about having a court make a determination about the nature of human sexuality and the purpose of marriage. These are perennial topics of philosophical and academic debate, hotly contested in college classrooms, across the dining-room table, and sometimes on cable news. The soaring rhetoric of the culture wars has made cameos in the courtroom, but most of the discussion has been prosaic. The law, for all its *gravitas*, is ultimately about deciding who has to pay for the fender bender, not whether it would have been better to walk.

Prop. 8's defenders seem most self-assured when speaking in broad axioms. According to the motion filed by the defense in *Perry*, "the purpose of marriage [has] always been to promote naturally procreative sexual relationships," and "every civilized society in recorded history [has] limited marriage to opposite-sex relationships." But when asked concrete questions, as the defense was at a pre-trial hearing in October, lawyers have been hard-pressed to come up with an answer.

"All right, let's play on the same playing field for once," Judge Walker told lead defense counsel Charles Cooper. "I'm asking you to tell me how it would harm opposite-sex marriages."

"Your honor, my answer is: I don't know," Cooper responded. "I don't know."

Thompson explains that the difficulty in answering the judge's question stems from the fact that same-sex marriage is a relatively new phenomenon, one that has not been studied extensively by social science. But in the same hearing, Cooper was also at a loss when Judge Walker asked him to justify the view that marriage was for procreation.

"The last marriage that I performed ... involved a groom who was 95, and the bride was 83," Walker said. "I did not demand that they prove that they intended to engage in procreative activity. Now, was I missing something?"

"No," Cooper answered.

Outside the courtroom, gay-rights opponents have very different answers to Judge Walker's questions. "The law affects

marriage primarily through its capacity to 'name a shared reality,'" says Maggie Gallagher, president and founder of the National Organization for Marriage, which opposes same-sex marriage. "Gay-marriage advocates understand this on their side of the issue—the name matters, because words matter, symbols matter, naming reality matters."

The quandary for the court in January is, in effect, how to name a reality that we do not all share. The real fight is not over marriage itself. *Perry v. Schwarzenegger* is only about gay marriage in the sense that *Roe v. Wade* was about privacy, or *Brown v. Board of Education* was about school choice. The case is really about the place of gay people in society. Just as reproductive rights allowed women not to be defined by childbirth and desegregation meant skin color no longer determined where you sat on the bus, legal equality for gays would mean that, at least in theory, one's sexual orientation would not determine where he or she fit in.

But it's important to remember that *Roe* did not guarantee gender equality, nor did *Brown* end racism in America. Women are still promoted and paid less than men, and a large share of African Americans are still entrenched in poverty.

After the stinging marriage-equality setback in Maine on Nov. 3, gay-rights supporters are looking to the federal courts with renewed hope. But *Perry* will not be a panacea, either.

As Eskridge points out, the best turn the Prop. 8 case could take is that it would be rendered moot by California voters in 2010 or 2012. But even if Boies and Olson lose the case, it would not be the disaster that some gay-rights supporters fear. A Supreme Court loss could galvanize a movement that, at least in California, was dumbstruck that gay rights didn't just come as a matter of course. Indeed, as legislatures and city councils in D.C., New York, and Washington state move to enact gay rights, the promise of equality seems to lie increasingly in local, grass-roots efforts. Decades of fervent activism are what made the legislative victories in Vermont and New Hampshire possible, and they are an indication of public support that no court can grant. It is better not to be the victim of discrimination in the first place than to have the law on your side when you are.

The assumption among gay-rights supporters—and the time frame that's often thrown around—is that "in 20 years" we will have full equality. If anything, however, the Prop. 8 imbroglio and its legal fallout should serve as a reminder that equality isn't a once-and-for-all achievement. Rights can be rescinded, the ground can shift again. Nor is it an eventuality. Despite Martin Luther King Jr.'s assurance, the arc of history does not bend in any direction—much less toward justice—on its own. **TAP**



One More Bubble to Go

If the dollar crashes, it will take our economic cushion down with it.

BY JEFF FAUX

The word from Washington and Wall Street is that the worst is over.

Sure, it will take a while for jobs to recover, for housing to come back, and for wages to rise. But we are definitely on the road to recovery from the biggest debt-bubble collapse since 1929.

Maybe. There were actually two debt bubbles. One was driven by *Americans* borrowing against unsustainable inflation in housing prices. The other was driven by *America* borrowing against unsustainable inflation in the price of the U.S. dollar. One more bubble is left to pop. When it does, our unique economic cushion—privileged access to the world's savings—will deflate. Like overvalued housing prices in the run-up to the 2008 crash, the dollar is headed for a substantial fall. The question is whether our political class can minimize the hit to working Americans' already-battered living standards. On the available evidence, the answer is, "No."

The central threat here is not the currently rising federal deficit, which despite the theatrical hysteria from Republicans and Blue Dog Democrats is a necessary remedy for the collapse of private spending. True, foreigners are financing the fiscal deficit, but because it is stimulating growth, it is ultimately self-liquidating. Rather, the core problem is the accumulating debt that the U.S. economy as a whole owes to the rest of the world, a result of a more chronic condition: 25 years of buying more in the global marketplace than we have been selling—and borrowing to make up the difference.

Economists debate whether the root cause is that our markets are open or others' are closed, that we spend too much or we produce too little, that we save too little or the Chinese save too much. All contribute in some way, and each year we go further into global hock. In 2006 our "current account" deficit—the net cash flow to and from the rest of the world—was 6 percent of gross domestic product, the highest in our entire history. By the end of 2008, the United States owed roughly 30 percent of its GDP to the rest of the world. The current recession has cut spending on imports, which will lower this year's deficit to somewhere between 3 percent and 4 percent of GDP. Still, the red ink will add to our cumulative foreign debt. And with a recovery, the gap between our imports and exports will accelerate.

Ordinarily, when a country continually spends more than it produces, the global supply of its currency grows relative to demand. Sooner or later, the price, relative to other currencies, drops. The prospect of having their future profits returned in

cheaper money leads investors to pull out their capital. Hard times follow. As wages drop, so do imports, and lower labor costs increase exports. Eventually, the current account is rebalanced—albeit at a lower average standard of living.

A rule of thumb in recent years is that the tipping point for a flight of capital is a rising current-account deficit of about 5 percent of a nation's GDP and a rising foreign debt of about 40 percent. But the United States has so far been protected from the consequences of its chronic trade deficit by the unique status of the dollar. Central banks use U.S. dollars as reserves to support their own money supply. Businesses use them to settle international transactions. And the world's rich have considered dollars the safest place to park their savings in a crisis. So the Chinese and other trading partners have been more than willing to lend back the U.S. dollars they earned through their trade surpluses in order to keep American consumers buying their goods—on credit. Moreover, with some \$2 trillion sitting in its banks, the Chinese government can play the international currency markets to keep its yuan undervalued, allowing it to export still more to the United States.

Common sense says that this cannot continue forever. On our current trajectory, the external debt as a share of GDP would roughly double in the next decade. Before we ever reach that point, nervous global investors will be dumping dollars.

When they do, the market's vengeance is likely to be swift and ugly. Interest rates will rise, shrinking investment and slowing growth. In the face of rising unemployment, a plunging dollar will drive up living costs (as all those cheap imports and inputs—from TV sets and sneakers to oil and automotive parts—become more expensive). With the U.S.' capacity to borrow constricted, the federal government's countercyclical spending will be constrained. Financiers—in New York as well as in London, Dubai, and Beijing—will demand public austerity as the price for their loans. Indeed, investment banker Pete Peterson has already launched a billion-dollar propaganda campaign arguing that the growing U.S. foreign debt requires draconian slashes in Social Security and other domestic programs.

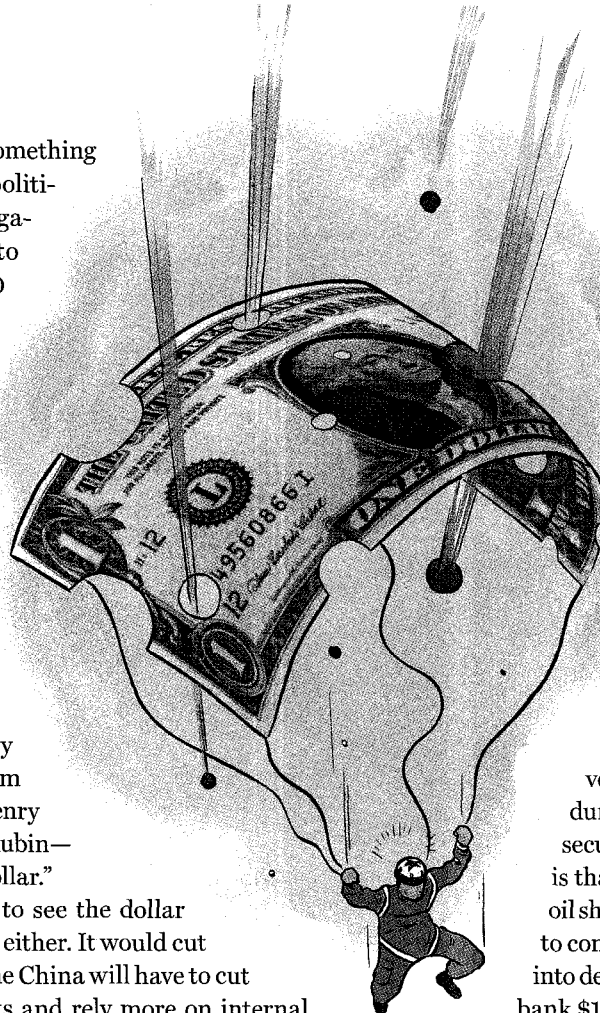
The good news is that Barack Obama, unlike George W. Bush, seems to understand the economic imperative. "We cannot rebuild this economy on the same pile of sand," he has said. We must move "from an era of borrow and spend to one where we save and invest, where we consume less at home and send more exports abroad." His advisers, including Larry Summers—an architect of the collapsed pile of sand—echo the point.

The bad news is that doing something about it appears too heavy a political lift. We clearly need to organize an international effort to deflate the dollar now, about 20 percent to 30 percent, before it bursts into crisis and falls much more. But the political obstacles are enormous. U.S. corporate investors, who are busy outsourcing and investing overseas, want an expensive dollar so they can buy up foreign assets cheap. Companies that want to produce here and industrial trade unions cannot match their political clout. Not surprisingly, U.S. Treasury secretaries—from Obama's Tim Geithner back through Bush's Henry Paulson and Clinton's Robert Rubin—all have insisted on a "strong dollar."

The Chinese aren't anxious to see the dollar reduced against their currency, either. It would cut into their U.S. market. Over time China will have to cut back its dependence on exports and rely more on internal growth. But the Chinese leadership is in no rush to impose economic pain on its own influential exporting industries in order to pull America's financial chestnuts out of the fire. The issue of global rebalance was on everyone's lips when the G-20 leaders met in Pittsburgh this September, but given the internal resistance in the two most important countries, it was on no one's action agenda.

Even so, managing a gradual soft landing for the dollar is not enough. We no longer make many of the goods we buy. To export more, we need to revive our capacity to manufacture and sell tradable goods, which in turn requires shrinking the financial sector back to its basic purpose of providing credit to the country's producers instead of siphoning off capital by issuing overleveraged debt to short-term speculators. But, intimidated by Wall Street, Obama and the Democrat-controlled Congress have not only rescued but reinforced the financial system that brought us to the brink of national ruin. At the same time, serious proposals for public-private efforts to reinvigorate manufacturing are ridiculed by the ideologically constricted Washington policy elite as "protectionism" and—gasp!—"industrial policy."

The country needs an economic transformation, and overcoming entrenched opposition in Washington and on Wall Street requires an inspired effort to educate Americans about the reality they face. Instead, the president—like his recent predecessors—lectures Americans that they ought to get more education and proposes marginal incentives for businesses to innovate. But American workers do not lack skills; they lack jobs for skilled labor. As for innovation, when our scientists and



engineers dream up a new product, it is sent overseas for production.

The reason for this policy disconnect lies deeper than Obama's now obvious deficiencies as a fighter for the causes he eloquently expounds. It is imbedded in a system of governance that for the last three decades has been incapable of dealing with the future because its most important financiers are still profiting from the present.

If facing reality seems too hard, a common human response is denial. So, just as Alan Greenspan assured us that the "self-interest" of banks would prevent overleveraging of bad loans and the dumping of sub-prime mortgage-backed securities in a crisis, today's prevailing view is that the self-interest of China, Japan, the oil sheiks, and other creditors will force them to continue to lend us money as we go deeper into debt. After all, as the saying goes: Owe the bank \$10,000 and it's your problem; owe it \$10 million and it's the bank's problem.

But the anxious Chinese and other creditors are already diversifying away from dollars. Euros are increasingly used as central bank reserves and to settle oil contracts and other international transactions. Chinese companies are using their dollars to buy long-term claims to energy and other resources in South America and Africa. Brazil, Malaysia, and other nations now accept the Chinese yuan in payment for exports. This past March, the head of China's central bank publicly called for a new international reserve system—based on a basket of selected national currencies—to replace the dollar.

In effect, the global smart money is doing two things at once: preparing for dollar deflation and working to delay it in order to squeeze out every last nickel from the deteriorating dollar system. The longer this goes on, the bigger and more potentially destructive the debt bubble grows.

Washington's answer remains "not to worry." The dollar bubble won't burst—and if it does, we can handle it. After all, didn't we just save the country from a free fall into depression? But smart as they may be, the Bush/Obama teams—Ben Bernanke and Paulson, Geithner and Summers—managed to look brilliant because they were able to fund their bailouts by selling overpriced-dollar IOUs to the rest of the world. Next time that won't be so easy. **TAP**

Jeff Faux is a distinguished fellow at the Economic Policy Institute, which he founded. He is currently writing a book on America's future.



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Beyond Bars

The “tough on crime” era is coming to an end, leaving bloated prisons and blighted neighborhoods in its wake. But what’s next?

BY ADAM SERWER

Eric Haines lives in his father’s basement in Paterson, New Jersey, just across the street from a freshly anointed memorial to a childhood friend who was shot to death two weeks ago—Haines’ second friend to die violently in as many weeks. A white sheet hangs over a chain-link fence, facing an audience of Jesus candles sprinkled with dirt kicked up from a recent rainstorm. A few dozen feet away, several men are gathered outside a corner store, where they will remain past nightfall.

Haines might be out there with them if it weren’t for the black box that’s been strapped to his ankle since he violated the conditions of his parole several weeks ago. Haines, 27, has only caught two non-drug charges—one for trespassing, one for weapons possession—but he has been under supervision for the past nine years because he’s made parole violations something of a habit. (Haines’ name has been changed for his safety.)

Haines joined a local affiliate of the Bloods in 2001, and gang life brought him security and fellowship but also criminal obligations. “I wanted to live the street life and get caught up in it,” Haines says. “You see guys and all the hot girls, the cars, the jewelry. You’re working at McDonald’s, you ain’t getting that. It’s not gonna happen. Why would I bust my ass all day and make like \$100, when I can make like \$1,000 doing nothing, selling drugs?”

The last time Haines violated his parole (by failing to report to his parole officer), instead of running and waiting to get caught, he simply turned himself in and ended up with an ankle bracelet that monitors whether he is home when he’s supposed to be. On the street, Haines says, a culture of superstition has built up around the bracelet. People believe it contains a GPS, which it doesn’t. People also believe it records conversations, which it doesn’t. What it does do is track whether the bracelet is in the vicinity of a base transmitter placed in Haines’ house to ensure he’s there when he’s required to be. His parole officer will remove the ankle bracelet only if he finds a full-time job or enrolls in school—if he makes a substantial effort to leave the streets behind.

In the meantime, he showers with it on, sleeps with it on, and while it’s starting to drive him crazy, Haines admits that it has probably saved his life. As a result of both the constant supervision and the suspicion the bracelet draws, he has been isolated and unable to figure out who killed his friends and

potentially retaliate. In his pajama pants, white socks, and flip-flops, Haines hardly cuts the intimidating figure he hints at in conversation. He now rarely leaves his father’s house, preferring to stay at home and take care of his little sisters.

The ankle bracelet might be more commonly associated with law-breaking celebrities like Martha Stewart or Paris Hilton, but some experts believe it could be the future of criminal justice—a way to supervise offenders in the community without incurring the social, financial, and community costs of incarceration. Instead of sending Haines back to prison for a lengthy sentence that will cost the state a great deal of money, New Jersey turned him into a kind of outpatient inmate whose ability to cause suffering to himself and others is greatly diminished. He also has a chance at building a new life—something he wouldn’t have if he were incarcerated.

In the 1980s and 1990s—the “tough on crime” era—incarceration was touted as the simple solution to our crime problem. Today, the United States imprisons 1 percent of its entire population. Including the number of people on probation and parole, one in 31 Americans is under supervision of the criminal-justice system. Mass incarceration has succeeded in reducing crime, but the strategy has diminishing returns. The offense rate of the top 20 percent of offenders is more than 10 times that of the average prisoner—a few very active criminals commit most of the crime. But under the current system, offenders who could be more cheaply deterred or rehabilitated instead incur the most expensive—and, from the perspective of its effect on the community, damaging—form of punishment possible. This is why, even as the number of incarcerated people has increased exponentially, crime hasn’t decreased at the same rate.

Fueled by the damage mass incarceration has done to state budgets, a new “smart on crime” movement has emerged to seek new ways of reducing the number of people in the system. Many states, including New Jersey, have attempted to do so by reforming probation and parole, in part by using something called “graduated sanctions”—levying small punishments on those who violate the terms of their supervision. Instead of being thrown back in jail, parolees are confined in short-term residential assessment centers—privately run institutions where they are evaluated. The parole board, based on recommendations from the parole officer, then decides the best course of action: revoking parole, placing the offender

in a work or treatment program, or putting him on position-monitoring (using the ankle bracelet), which is one of the harsher sanctions in New Jersey.

It's important to understand that most people who violate parole aren't committing crimes. In New Jersey, a full 81 percent of parolees who return to prison are doing so because of technical violations—two of the most frequent are failing to report as instructed and failing to obtain approval for a change of address. To throw someone back in jail for two years because of a technical violation seems unfair even to probation officers, many of whom are relieved to have more choices. "It gives you other options instead of just locking them up," says Sgt. Albert Kozak, a New Jersey parole officer. "Instead you put them in a place like [residential assessment center] Logan Hall, and they learn their lesson."

America is slowly inching away from decades of a draconian approach to criminal justice—one that has resulted in the "land of the free" imprisoning more of its citizens than any another country in the world. In Congress, bills to repeal the sentencing disparity between crack and powder cocaine are gathering momentum. The new head of the Office of National Drug Control Policy, Gil Kerlikowske, has abandoned the "drug war" rhetoric. Religious conservatives commiserate with bleeding-heart liberals over what to do about recidivism. In states like New Jersey, officials are thinking of creative ways to curb offending behavior without relying solely on incarceration. Although ideas like graduated sanctions have been around for years, they are now being implemented in earnest as states seek new strategies for deterring crime rather than simply punishing it.

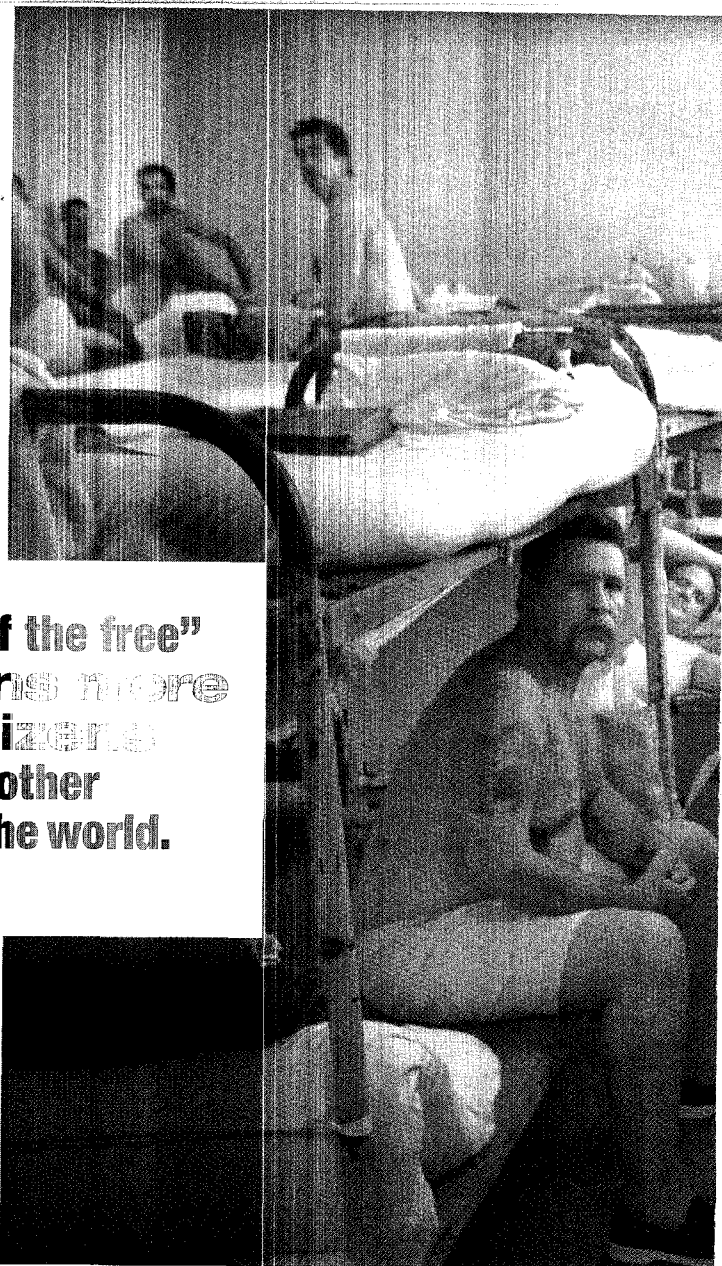
"We have the emergence of a very pragmatic, non-ideological crime-policy conversation that is allowing us to set aside philosophical differences to reduce crime and prisons," says Jeremy Travis, president of the John Jay College of Criminal Justice.

"This is the great breakthrough of the last decade."

TRADITIONALLY, LIBERALS SAW crime as the result of "root causes" such as poverty and poor education. Deal with these fundamental issues, the thinking went, and people will commit fewer crimes. Over time, however, conservatives successfully argued that this view was dangerously naive. Perhaps the most high-profile instance was the 1988 presidential election, in which Democratic nominee Michael Dukakis was portrayed by his opponent, George Bush Sr., as "soft on crime" for supporting prison work-release programs. Bush trounced Dukakis—and liberals learned their lesson about crime as a political issue: There is no such thing as too tough.

In the 1992 presidential campaign, Bill Clinton took that lesson to heart. The then-governor of Arkansas left the campaign trail to make a show of signing the death warrant for Ricky Ray Rector, a 40-year-old black man who had killed a white police officer. (Rector had suffered a bullet wound to the head, and his

**The "land of the free"
imprisons more
of its citizens
than any another
country in the world.**



lawyers argued he wasn't mentally competent to stand trial, let alone be executed.) Clinton sent the message to crucial middle-of-the-road white voters that he was no Dukakis. It would be a mistake, though, to characterize Clinton's behavior as mere political posturing. Later, as president, he supported the "three strikes" law that helped swell the prison population.

The intellectual champion of "tough on crime" was James Q. Wilson, a political scientist and an official in the Nixon, Reagan, and Bush Sr. administrations, who argued that breaking the law was an individual decision, not the product of social circumstances. Therefore, the only way to reduce crime was to make sure crime didn't pay. (Crime actually doesn't pay, and never did. The sociologist Sudhir Venkatesh estimates that the average drug dealer barely makes minimum wage.) Both Democrats and Republicans have, for the past two decades, made criminals pay dearly, swelling the incarcerated population to more than 2 million. But it wasn't just the criminals who paid—it was their families, their neighborhoods, and society as a whole.

Criminal-justice policy wonks and academics recognized the problems associated with mass incarceration as early as the



The California Institution for Men in Chino, California

1980s, and law-enforcement officials, from the federal level on down, have been searching for answers since the 1990s. A turning point came in 1998, when then-Attorney General Janet Reno organized a conference on “re-entry”—or the return of formerly incarcerated people into society. The meeting brought together crime-policy experts, who had already been thinking about how to reduce the number of incarcerated people, with law-enforcement types who could lend credibility to their efforts.

Encouraged by the federal government, a number of states have spent the past 10 years looking for new approaches to probation and parole. Some jurisdictions funded nonprofits to help former inmates learn parenting and job skills. Others tried using drug courts that divert nonviolent drug offenders to treatment programs instead of locking them up again. Some states, including New Jersey, implemented graduated sanctions.

By all accounts, graduated sanctions are a step in the right direction. In New Jersey, the system is cheaper and more effective than re-incarcerating parole violators, and the number of violations has dropped precipitously since it was implemented in 2001. Still, with a large menu of re-entry programs, the approach

is resource-intensive, throwing a number of solutions at the problem and making it difficult to discern which ones work best.

In 2004, Judge Steven Alm, a former federal prosecutor turned district court judge in Hawaii, figured out a way to make the sanctions approach simpler, faster, and more consistent. Hawaii was plagued by frequent probation violators who weren’t being punished until, say, the third violation, at which point they would incur a lengthy prison term. By the time punishment was levied, so much time had passed as to make the deterrent effect negligible. (Offenders are not “rational actors” in the normal sense, explains UCLA professor Mark A.R. Kleiman in his book, *When Brute Force Fails*. Their cost-benefit calculations are skewed toward the immediate future, which means a delayed punishment won’t feel tied to the offense.) Probation officers were swamped with cases and paperwork and were unable to give their probationers the necessary attention.

Alm’s solution was to take a select group of frequent violators and place them in a pilot program called Hawaii’s Opportunity Probation with Enforcement (HOPE). He streamlined the probation process, reducing the necessary paperwork and setting up

a hearing system that could ensure that every single violation—a dirty urine test, a broken curfew—would lead to a short jail term. The judge made the consequences of violating very clear. Hearings were now held within 48 hours of the violation rather than days, weeks, or months later. Drug tests were randomized, and probationers were forced to call in to find out if they would be tested that day. (Parolees were ordered into drug treatment only if they were among the small minority that simply couldn't stop using after multiple violations.) So not only were violators subject to certain punishment—their short-term risk analysis now worked against the tendency to violate.

Alm's approach also conserved resources. The lighter punishment meant that more punishment was available (after all, short jail stays require fewer resources than long-term incarceration). HOPE substituted certainty for severity, which Kleiman says is key to deterring future crimes—and could provide the basis for future enforcement and deterrence strategies as well. After all, the most effective punishment is the one you never have to use.

The program has its roots in graduated sanctions, but HOPE's narrow focus was a major innovation. Alm was throwing darts at the wall where other states were throwing spaghetti. His results were impossible to ignore: The overall rate of missed and failed drug tests dropped by more than 80 percent, and the missed-appointment rate fell from 13.3 percent to 2.6 percent. Despite the fact that offenders admitted to the program were more prone to violating, the trend continued as the program expanded.

In states like New Jersey, where graduated-sanctions programs resemble HOPE but are not quite as steady or strict, the results haven't been as dramatic. Still, New Jersey has been reducing its prison population—from about 27,000 five years ago to about 22,000 now—at a time when state prisons are averaging a 1.7 percent growth rate a year. The state was able to close Camden's Riverfront State Prison in June. And the crime rate has declined overall since 2001. Says Lenny Ward, director of community programs for the New Jersey State Parole Board, "We're doing something right."

The question, looking at HOPE, is whether New Jersey—and other states—could be doing something even better.

THE OPTIMISM SURROUNDING HOPE isn't just about numbers—it's about the program's bipartisan appeal. HOPE retains the use of punishment as a deterrent—it is "tough" enough for conservatives—while shrinking the prison system and mitigating the adverse social effects of mass incarceration—which is what liberals want. It seems perfectly tailored for an era of Obama-style minimalist liberalism (or, as the administration likes to call it, "pragmatism"), taking into account critiques of bureaucracy while reaffirming a steadfast commitment to using government to effectively reduce social suffering.

Even Wilson, the godfather of "tough on crime," has endorsed Kleiman's book. "This is very good. It's not quite as good as Einstein predicting the shift of light behind Mars ... but it's a step in the right direction," Wilson said while appearing alongside Kleiman on a panel at the American Enterprise Institute (AEI) in October. Though Wilson still defended "tough on crime,"

he acknowledged that the ideological landscape has shifted. When Kleiman pointed out that the rate of imprisonment of black men in the U.S. exceeds that of the Soviet Union during the height of the Gulag, the audience at this conservative think tank gave an audible gasp. Even among conservatives, there is a growing recognition that something is deeply wrong with a modern industrialized nation imprisoning such a large percentage of its population.

Meanwhile, crime is low enough that it is no longer the politically radioactive issue it once was. In June, when Sen. Jim Webb of Virginia introduced legislation establishing a criminal-justice commission, he declared that "America's criminal-justice system is broken" without inciting a backlash or being dubbed "soft on crime." Webb's commission is the best hope for wide-ranging reform—though that depends ultimately on which school of thought on criminal-justice prevails.

Glenn Loury, an economics professor at Brown University who has written extensively on the issue of over-incarceration, says the attention Webb got merely for proposing a commission to study the issue shows how warped the politics of criminal justice are. "He's now a candidate for a profile in courage because he's willing to talk to the American people about their punishment regime that we've constructed here in a way that casts a critical eye on it," Loury says. Ironically, it is precisely because crime has decreased in salience as a political issue that reform is possible.

The tightening crunch on state budgets doesn't hurt, either. Certainly Congressman Adam Schiff, a Democrat from California, has taken notice of the issue. In his home state, prisons are a humanitarian crisis—overcrowding is so bad that a federal judicial panel ordered California to reduce its 160,000-person prison population by more than 40,000 inmates over the next two years in order to relieve pressure on a system built to hold only 84,000 prisoners. A former federal prosecutor, Schiff joined with Republican Ted Poe (also a former prosecutor) to introduce new legislation in the House that would establish a grant program for states willing to implement their own version of HOPE. By Kleiman's estimate, if states adhere strictly to HOPE-style reforms, we could cut crime and the prison population in half in 10 years.

"We don't have to be tough on crime; we have to be smart on crime," Schiff says, "or we'll be bankrupt on crime."

That view seems to resonate with the Obama administration. The White House budget for 2010 set aside more than \$100 million for re-entry programs, piggybacking off the Second Chance Act (signed by George W. Bush in 2008), which devoted significant grant funding to programs dedicated to reducing recidivism. In 2007, the National Institute of Justice, the research arm of the Justice Department, chose Angela Hawken, a Pepperdine University professor and Kleiman's former colleague, to conduct a randomized controlled trial of a scaled-up HOPE program in Hawaii. Hawken says her independent study replicated HOPE's results. Since then, the NIJ has begun developing plans to test HOPE-style programs in two other states. The Obama administration's drug czar,

Kerlikowske, has even expressed interest in the program.

As the question of policy shifts to the federal level, the “non-ideological” appeal of these methods will be put to the test. In the past, conservatives concerned about the fiscal impact of mass incarceration could be convinced to support state-level and local reform. In Kansas, Secretary of Corrections Roger Werholtz overhauled the parole system, reducing the prison population and saving the state \$80 million. He had the strong support of Kansas’ ultraconservative Sen. Sam Brownback, who declared, “I want to see recidivism cut in half in the next five years, and I want to see it start in Kansas.”

But when it comes to national “smart on crime” initiatives, conservative politicians may not be as supportive. With a hyper-partisan GOP twisting at the whims of Glenn Beck and the tea party movement, it’s easy to see how criminal-justice reform could become the next source of paranoid right-wing controversy. That’s without considering the already formidable obstacle course of corrections-industry interests—from prison-guard unions to bail bondsmen to private prison corporations—who are invested in mass incarceration as a business model. Washington’s resistance to change will work in their favor.

There is also the sheer vastness of the problem. By design, the minimalist approach to crime seeks to control behavior—it avoids grappling with the damage done to urban communities by the drug trade and its attempted remedy, incarceration. “A normalization is occurring in these communities, particularly for the young men who are going to see their future lives modeled by those who are coming back,” Lounsbury says. “So when you find in these communities a culture of violence, of dysfunction, amongst these very people, that’s not just something that came out of the air or was intrinsic to these communities. ... The prison is deeply implicated in the ghetto. And vice versa.”

David Kennedy, director of the Center for Crime Prevention and Control at John Jay College, goes even further. “We have a toxic racial conflict which is driven by our law-enforcement response, the community’s response to that response, and the outside world’s response to that response,” Kennedy says. When law enforcement is seen as the enemy, he argues, the “stop snitching” movement is nothing more than “principled disengagement.”

HOPE seeks to prevent parolees from re-offending and alleviate some of the violence associated with the drug trade, but it doesn’t attempt to make formerly incarcerated people more employable or better parents. The concern, then, is that even if these techniques are somewhat successful in reducing crime and recidivism, they won’t really fix the problem. Even Peter

Reuter, a crime-policy expert at the University of Maryland and self-described “Kleiman booster,” says Kleiman’s belief that crime could be cut in half in 10 years is overly optimistic. “I wouldn’t go that far,” Reuter says.

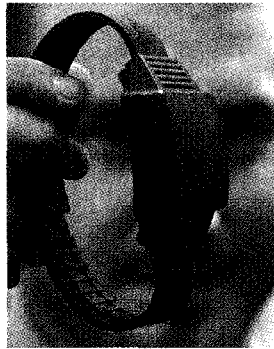
Joe Trabucco, director of a residential assessment center in Newark, recognizes that the criminal-justice system isn’t just battling behavior; it’s battling the very culture of urban blight. Trabucco runs up against this wall with many of the parolees he interacts with on a daily basis. “They have their priests, they have their commandments, they have their oaths. How do you tell them to go back on that oath? It’s like telling a Jew to be Catholic,” Trabucco says. He adds that he once thought the election of Barack Obama might make a difference to offenders—but he’s changed his mind. “To them, he’s just another guy in the legit world; doesn’t matter what color he is.”

At the street level, the success of New Jersey’s graduated-sanctions program is sometimes hard to see. Parole officer Thawra Naser grew up in Paterson but left “when it got crazy.” As the officer who handles Haines’ case, she’s become intimately familiar with the city’s crowded corners and feuding sects. While the graduated-sanctions program’s overall numbers are impressive, New Jersey’s parole officers have yet to see much of a change in the state’s most volatile urban centers. “There are some cases, you’re happy to see people aren’t in trouble,” Naser says. “But you also see plenty of faces that you’ve seen before.”

Naser has had a hard time getting Haines to take advantage of the ankle bracelet to go back to school or get a legitimate job—even though he says he wants to go straight. Sitting on the couch with his hands clasped together and his eyes staring at the floor, he says he sometimes thinks about owning a strip club, but he hasn’t actually taken any steps in that direction. “At least it’s not a criminal enterprise,” one parole official says dryly.

Even if HOPE-style programs work on a national scale, some worry that they will become yet another method of simply “managing” the most disadvantaged in American society. One of Kleiman’s arguments against mass incarceration is that when imprisonment is ubiquitous, the stigma of incarceration is removed. The position-monitoring bracelet, he hypothesizes, won’t grant offenders the kind of “street cred” they get from a prison stint. With Haines that seems to be the case—the bracelet hasn’t earned him respect; it’s made him someone to avoid.

But that doesn’t seem to be the case everywhere. At the AEI event featuring Wilson and Kleiman, a parole officer from Washington, D.C., gave his own view of how position-monitoring has worked in the District. “The vast majority of our offenders are beginning to get very clever with the bracelet ... they even know how to take it off,” he said. “It’s also become a rite of passage in the communities. ... Now you have a bracelet on your ankle walking around in your communities, and you’ve become somebody in the world of crime.” **TAP**



The ankle bracelet could be the future of criminal justice—saving states money by turning offenders into outpatient inmates.

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Fed Up With Federalism

How America's commitment to states' rights is undermining our economic recovery

BY HAROLD MEYERSON

By accident of its birth—a collection of separate colonies that slowly came together to form an independent union and revolted against the remote power of the British government—the United States has an enduring bias toward localism, an aversion to centralized government that is part of its DNA. For some on the left, this has been seen as a positive. “It is one of the happy incidents of the federal system that a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country,” Justice Louis Brandeis once wrote.

Even though progressives such as Brandeis have celebrated our federalism, it's important to remember that Brandeis lived and worked at a time when the federal government was ice-bound in conservative orthodoxy and the cause of social justice could be advanced only in a small number of states and cities. Segregationists like George Wallace and Richard Russell have celebrated our federalism, too, arguing for states' rights at a time when the national government was moving to abolish the Jim Crow laws throughout the South.

Conversely, liberals have argued for the right of the nation to move beyond its federalist constraints during those periods when they controlled the national government (the 1930s and, especially, the 1960s). And during the late, lamentable Bush presidency, conservative justices on the Supreme Court frequently forbade the states from enacting stricter regulations on business than those that Bush's administration had put in place.

The love of federalism is a sometime thing; its critics and champions switch places depending on who is in power at which level of government. But the problem with our allegedly ingenious federal system is not simply that half the time, if not more, it is an effective way to protect all that is biased and unfair in the American nation. The problem is also that federalism inherently subverts a coherent national response to many fundamental challenges the United States faces, at a time when other major nations—our competitors in an increasingly global economy—face no such structural impediment.

Given the sheer size of America and the distinct cultural identity of its many regions, federalism has always made a certain amount of sense. The abolition of the slave trade and the legalization of gay marriage had to begin somewhere. As the rise of national government, transportation, and media have eroded regional identities, traditions, and isolation,

however, more conservatives than liberals have found a refuge in federalism.

But even though federalism is more often the refuge of reactionaries than of visionaries, it has an even deeper flaw: setting the nation at cross-purposes with itself, and never more so than during a recession.

THERE IS A CLASSIC algebra problem in which water pours into a bathtub from the tap at a specified rate but also exits the tub at a different rate because someone has neglected to stop the drain. If you know the rates, you should be able to figure when the water will rise to a certain level. During a recession, the United States becomes a version of that bathtub. The federal government is the tap. The state and local governments are the drain.

That's no way to fight a recession. When investment, production, and consumption are all in decline, the only way to keep the economy from shrinking is for the federal government to deficit spend and create a stimulus. But while the federal government pours money in, the state and local governments, which cannot deficit spend, see their tax revenue shrinking, so they cut spending, raise taxes, or both—taking money out of the economy. America's distinct brand of federalism inherently impedes an economic recovery.

Consider the state with the biggest tap and the biggest drain: California. The sum total of the federal tax cuts for Californians included in last year's Bush administration stimulus legislation and this year's Obama administration stimulus came to \$15.5 billion for the years 2008 to 2010—money desperately needed to boost consumer spending in the midst of the worst downturn since the Depression, says Jean Ross, executive director of the California Budget Project. But the sum total of state tax increases enacted by the California Legislature and signed into law by Gov. Arnold Schwarzenegger in 2008 and 2009, Ross says, came to \$12.5 billion for the years 2008 to 2010—money desperately needed to keep public services in California from grinding to a halt in the midst of the worst downturn since the Depression. “The state negated 80 percent of the feds' tax cut,” Ross says. “And the cuts and the increases pretty much targeted the same lower-income groups.”

Nor were the negations limited to tax cuts. Ross calculates the federal government's direct aid to education, its block-grant programs and other education-related expenditures for California total \$9.5 billion from 2008 to 2010. The state

government's cuts to K-12 schools, community colleges, the California State University, and the University of California add up to \$17.4 billion for the same years.

California leads the fiscal-disaster pack, but it is anything but alone. A September paper from the Center on Budget and Policy Priorities reports that since the recession began, at least 41 states and the District of Columbia have slashed their budgets for a wide range of services—27 for health care, 25 for aid to the elderly and disabled, 26 for K-12 education, 34 for higher education, and some states for all of these. Forty-two states have reduced wages to state workers through layoffs, furloughs, and salary cuts. At least 30 states have raised taxes during the same period. “All of these steps remove demand from the economy,” the center concludes. They “reduce the purchasing power of workers’ families, which in turn affects local businesses.”

Without the Obama stimulus, which appropriated roughly \$140 billion to the states to reduce their budgetary shortfalls during 2009 and 2010, these numbers would be even worse—though keep in mind that \$140 billion in federal funds isn’t engendering growth; it’s merely offsetting state cutbacks. The center estimates that the federal bailout enabled states to reduce their budget gaps by 40 percent. But with state financial shortfalls in those two years coming to a whopping \$350 billion, that leaves \$210 billion in unrecompensed state budget shortfalls, which the states have to make up by cutbacks or tax hikes or financial gimmicks. Dean Baker and Rivka Deutsch of the Center for Economic and Policy Research estimate that the cutbacks and tax hikes of cities, counties, and school districts in 2009 and 2010 will come to an additional \$15 billion.

So how much does the government’s stimulus come to when we subtract the amount the states and localities are taking out of the economy from the amount the feds are putting in? The two-year Obama stimulus amounted to \$787 billion, of which \$70 billion was really just the usual taxpayers’ annual exemption from the alternative minimum tax, and \$146 billion was actually appropriated for the years 2011 to 2019. That leaves \$571 billion that the federal government is pumping into the economy during 2009 and 2010. Subtract the amount that state and local governments are withdrawing from the economy (they have a combined shortfall of around \$365 billion, but let’s say they do enough fiscal finagling so that the total of their cutbacks and tax hikes is just \$325 billion), and we’re left with \$246 billion.

At \$787 billion, the stimulus came to 2.6 percent of the nation’s gross domestic product for 2009 and 2010—not big enough, but a respectable figure. At \$246 billion—the net of the federal stimulus minus the state and local anti-stimulus—it comes to just 0.8 percent of GDP, a level lower than those of

many of the nations that the U.S. chastised for failing to stimulate their economies sufficiently.

But other major nations don’t have federal systems that turn them into unstopped bathtubs in times of recession. They have states and municipalities, to be sure, but either the responsibility for funding most functions of government resides with the national government, or, as in Japan, state and local governments are not required to run annual balanced budgets. In China, which probably has had the

most robust recovery of any major nation, taxes and spending for everything are set in Beijing (including the lower tax rates for provinces in which manufacturing for export is the main economic activity). In France, taxing and spending has been controlled by the national government at least as far back as Louis XIV. In Britain, funding for local government also comes from the national government; “local taxation,” says Thomas Barry, first secretary for economic affairs in the British Embassy in Washington, D.C., “is a very small fraction of the total tax burden in the U.K.”

Such is obviously not the case in the U.S. The national government alone funds defense and the two great social programs, Social Security and Medicare, created at moments (1935 and 1965) when liberals controlled both Congress and the White House. But state and local governments, which can’t run deficits, remain the primary funders of education, transportation, local infrastructure, and public safety and split the cost of health care for the poor with the feds. What this means is that the governmental impediments the United States encounters during a recession are far greater than those encountered by the other major nations with which we compete in the ever more



global economy. What this means is that our federal system is, in this very significant particular, massively dysfunctional.

THIS SEPTEMBER, THE Los Angeles County Metropolitan Transportation Authority, the agency that runs LA's growing subway system and its far-flung bus lines, struck a novel deal with an Italian rail manufacturer. In return for its purchase of 100 light-rail cars from the company, the MTA got the company to agree to locate a unionized factory in Los Angeles. Problems with the manufacturer caused the deal to collapse, though, and the MTA is now searching for another company that will build the trains in Los Angeles. The agency's attempt to bolster local industry with a Buy-LA policy has encountered opposition, however, from the *Los Angeles Times*, which noted in an editorial that federal funds available for buying clean, green rail transport are denied to states and cities that insist on making the product locally. To be sure, the Obama administration has allotted billions of dollars to incubate an electric-car industry. But it is not insisting on domestic content, nor has it cut a deal with a foreign manufacturer to locate a factory here, as Los Angeles is trying to do with rails and as Southern states have done for years with foreign automakers.

The federal government doesn't do that. Well, *our* federal government doesn't do that. Foreign federal governments do that all the time. China has spared no expense to attract foreign manufacturers, routinely abating their taxes, holding wages in check, offering help to construct new facilities. In the U.S., states and cities woo foreign and domestic investors with an array of tax and zoning incentives; right-to-work states promise to hold down wages, too. But the kinds of sweeping guarantees that national governments can offer are beyond the capacity of states and localities to promise, much less deliver.

China, for instance, is halfway through a stunningly ambitious project to build 100 university science parks roughly modeled on North Carolina's fabled Research Triangle. On average, the parks, according to the testimony of attorney Alan Wolff to the U.S.-China Commission, are 150 percent the size of North Carolina's triangle. "China has taken our model and expanded dramatically on it," Rick Weddle, CEO of the Research Triangle Foundation, testified to the commission. "We toured a research park in Suzhou that is a joint venture between the Chinese government and Singapore. We wouldn't even think about that."

The industrial policies of American states are dwarfed by those of foreign nations, while the one entity with the resources to compete with foreign nations—the federal government—stays out of the game. States seek new factories while the federal government shuns domestic content requirements. As with stimulus policy during recessions, state and federal industrial policies seem totally at cross-purposes.

Federalism also enables federal and state governments to

punt the responsibility for funding politically contentious programs to each other—a pretty good way of ensuring that the programs will end up underfunded. A quick way to grasp the contrasting levels of political power wielded by the elderly (considerable) and the poor (negligible), for instance, is to look at how the government funds their health care. Medicare, for seniors, is entirely federally funded. Medicaid, for the poor, has the responsibility for its funding split between the federal government and the states. Despite the fact that Medicaid is nominally a national program, the levels of financial support that states allot it vary considerably. During the current recession, many states have opted to slash Medicaid benefits, even as federal Medicare benefits have largely stayed intact.

The perverse consequences of this hybrid funding have seldom been clearer than during the health-care reform battle, in which the Senate Finance Committee's bill to open Medicaid rolls to more Americans without pledging full federal funding for the program has presented recession-wracked states with a problem they could do without. After Gov. Schwarzenegger stated that the increased cost to his state could amount to \$8 billion annually, Sen. Dianne Feinstein of California, who backs the health-reform efforts, announced that she couldn't support a bill that increased the state's costs. (In the House bill, the federal government picks up almost all of the states' increased Medicaid costs.) Federal mandates on states

that must balance their budgets during recessions are problematic policy, and they illustrate the buck-passing that is inherent in the federal system. Historically, the price for this feature of federalism has been paid neither by the federal nor state governments but by the poor.

In regulatory matters, the gap between federal and state standards can work as Brandeis thought it should, but it can also enable businesses to comparison shop for the lowest level of regulations. While federalism is an effective way to create multiple governmental power centers in a nation, it creates a system that powerful private players can game. The diffusion of power inherent in federalism works best when power in the private economy and civil society is also diffused, so that, for instance, business will get push-back from labor when it attempts to arbitrage the gaps between state and federal law.

The boundary between federal and state functions in the United States has always been a flexible one, and one that has moved slowly and haltingly toward the federal level throughout most of the nation's history. By the standards of nearly every other major nation, however, and increasingly by the standard of common sense, the United States retains a system of government that frequently subverts its own policies and enables federal and state governments to negate each other's endeavors. Federalism has its points, but in a growing number of ways, and especially during a recession, it makes no damn sense at all. **TAP**

The United States retains a system of government that frequently subverts its own policies.

WALL STREET MEETS ISMARCH

If Congress ends up with effective financial regulation, Sen. Maria Cantwell will deserve a lot of the credit.

BY ROBERT KUTTNER

In the showdown over the regulation of potentially toxic securities like credit-default swaps, the savviest and toughest battler for effective legislation turns out to be not Barney Frank or Chris Dodd, who chair the key House and Senate financial committees. Surprisingly, the best informed and most relentless crusader is a back-bench senator from Washington state, Maria Cantwell. If you want to see how one determined junior legislator can make a difference, Cantwell is your woman.

Cantwell, a big booster of Barack Obama, is determined to push his administration to deliver on fundamental reforms to the financial system—and dismayed by what she's seen to date from Obama's staff. "If there are people at the Treasury and the White House who think that the way to get the economy going again is not to close these loopholes," she told me in an interview, "that's disgusting."

Cantwell, who just turned 51, is a former tech executive who won a squeaker of an election in 2000 by less than one-tenth of 1 percent of the vote. She is the kind of senator who is even better informed on the details of a complex issue than her highly

competent staff. *Washingtonian* magazine once dubbed her a "Hill hottie," but in her efforts to reform the black holes of the financial system, and in her little-known but critical role in health reform, her undeniable charm is far less important than her tenacity and brains.

She tends to win arguments not with bluster or horse-trading but with deep knowledge of her subject and a refusal to be bluffed or to back down. For example, during the October markup of health-reform legislation in the Senate Finance Committee, Cantwell crafted an amendment, modeled on a Washington state program, that would allow states to negotiate with insurance companies on the terms of coverage for those eligible for subsidies and for other citizens buying in. By giving the government bargaining power, her amendment salvages some of the cost-containment goals of the more contentious "public option." And the committee adopted it by consent. "Senator Cantwell has done amazing work," her colleague Sen. Charles Schumer of New York told the committee. "The unsung hero of this bill is her amendment on costs." Moves like this are the hallmark of the truly effective legislator.

But the most lasting impact of her diligent approach to public policy is likely to come from her crusade for financial reform, particularly the fight over regulation of derivatives. Derivatives are securities at one or more layers of abstraction from real economic transactions. A mortgage loan, for example, is a real transaction. A bond backed by a sub-prime mortgage loan is a derivative. A package of such bonds is an even more abstract derivative. And a credit-default swap, which is an insurance policy against such packages of bonds going bad, is four levels removed from financial reality. At each stage of abstraction, derivatives invite pyramids of leverage and huge speculative profits for insiders—as long as the bubble keeps inflating. When the bubble bursts, the losses can be as infinite as the capital is infinitesimal.

“Maria knows the complex issues pertaining to financial regulatory reform like the back of her hand, and she courageously uses that knowledge to combat the high-pressure lobbying by Wall Street,” says Michael Greenberger, a former deputy to Brooksley Born, the Clinton-era regulator who tried to sound alarm bells about derivatives as early as 1998. Born, however, was ostracized by the rest of Clinton’s economic team—which included Larry Summers, now the top White House economic official. One of Summers’ current deputies, Gary Gensler, was part of the team that boxed in Born’s proposals suggesting the need for tighter government monitoring and regulation of swaps and other derivatives.

“There’s a few people in the administration who still can’t say that it was a mistake, and those are the same people, I think, who are slow-walking, thinking we’re all going to forget about this regulatory reform that is needed,” Cantwell said at a hearing in May. “I can assure you that we’re not going to forget.”

WHEN CANTWELL WAS RUNNING for Senate in 2000, derivatives were about the furthest thing from her mind. Her issues were defending Social Security, expanding Medicare, ensuring computer privacy, and reforming campaign finance. She was also a free-trader who supported the North American Free Trade Agreement. A senior executive at Seattle’s RealNetworks, the company that pioneered Internet streaming of audio and video, Cantwell was billed in some quarters as a “multimillionaire business Democrat.”

But that image missed who she really was. Cantwell grew up in a political family in Indiana. Her father, Paul Cantwell, held a number of political posts, including chief of staff to Andy Jacobs, one of the most progressive congressmen ever to represent the state. Not long after college, Cantwell moved from Indiana to Seattle and immediately got into politics, winning a seat in the state legislature at the age of 28.

In 1992, she won an upset victory for a U.S. House seat that hadn’t gone Democratic in 40 years. As a freshman, she argued down Vice President Al Gore and killed his proposal

for a “clipper chip,” a sliver of computer hardware designed to facilitate government backdoor snooping. On that fight, she worked closely with the Electronic Frontier Foundation and got to know one of its leaders, Rob Glaser, the billionaire founder of RealNetworks. When Cantwell lost her seat in the 1994 Republican landslide, Glaser offered her the company’s top marketing job, soon promoting her to executive vice president. When she resigned in 2000 to make her Senate run, she was able to draw on the value of her 110,000 shares of company stock at the peak of the market.

Winning by just 2,229 votes, to oust incumbent Slade Gorton, Cantwell immediately found herself thrown into the top issue then afflicting Washingtonians—soaring electricity rates. Washington state, heavily dependent on hydropower, was suffering a drought. Utilities had to purchase electricity on the newly deregulated open market, making Washington one of the worst casualties of Enron’s manipulation of electricity markets. In Seattle, electricity rates rose 60 percent. Washington state’s Snohomish County Public Utility District found that market manipulation in the deregulated environment had cost consumers \$1.1 billion.

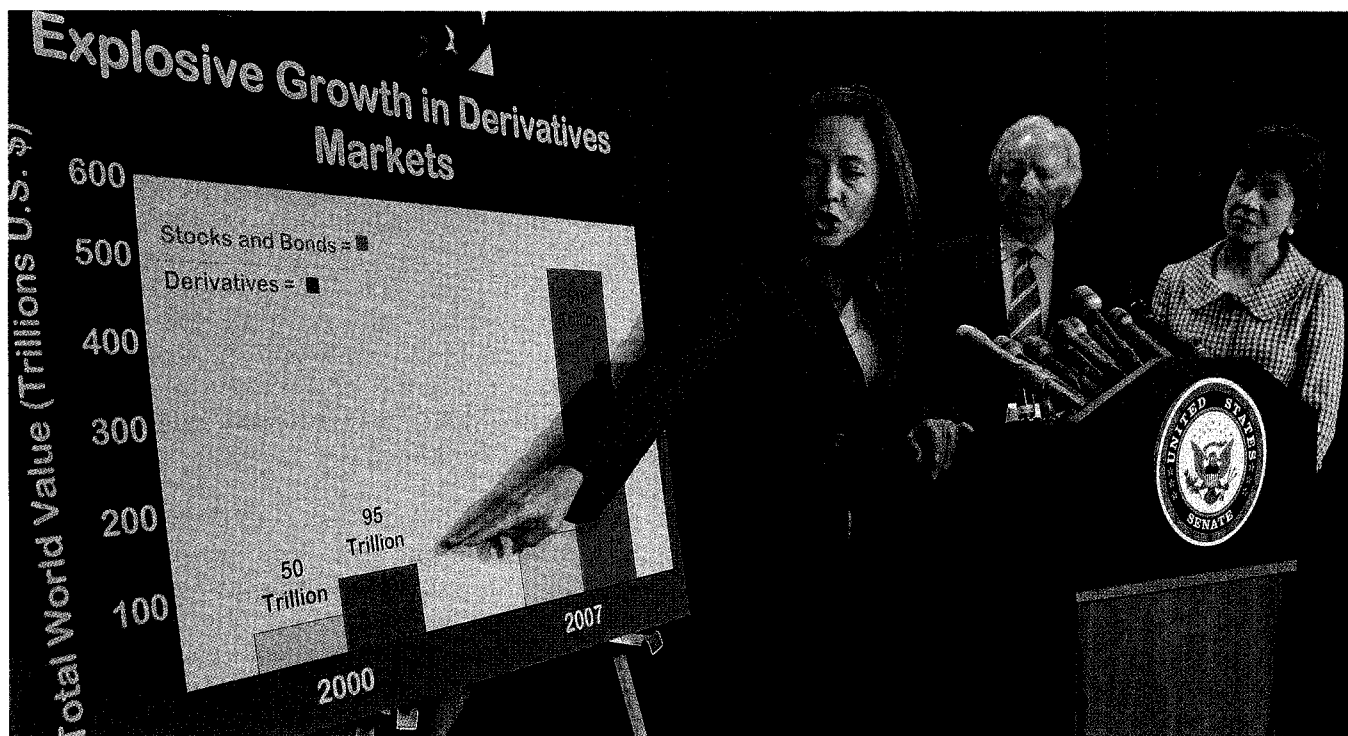
Cantwell, serving on the Senate Energy and Natural Resources Committee, immersed herself in the details of electric-power regulation, which led her directly to derivatives abuses. Championing relief for Washington state ratepayers and sponsoring a bill

“Insiders will always come up with new kinds of off-the-books games,” Cantwell says. “That’s why you need really bright lines.”

voiding Enron’s fraudulent contracts helped her win re-election in 2006 with 57 percent of the vote. She also authored a successful measure giving the Securities and Exchange Commission (SEC) and the Federal Trade Commission increased powers to combat market manipulation.

In 2007 and 2008, when oil prices were spiking, Cantwell led the effort to have the Federal Energy Regulatory Commission and the Commodity Futures Trading Commission (CFTC, the agency charged with regulating derivatives) investigate market-rigging. Many economists and most in the financial industry scoffed at the idea, contending that oil futures rising to more than \$140 a barrel was simply the result of supply and demand. India and China, the story went, were increasing their purchases of oil. Markets, in their genius, were discerning the coming scarcity and were pricing petroleum accordingly. By bidding up the price, they were actually doing the world a service, since high-priced oil would signal investors to pursue development of other energy sources.

But as the CFTC and other agencies belatedly concluded in 2009, Cantwell had it right. Traders had manipulated energy derivatives, pushing up the price far beyond levels dictated by supply and demand. Far from playing their advertised role of smoothing out market movements, they increased price volatility. The exorbitant profits they took came directly out of the pockets of consumers. When the financial crash hit, and



Delving Into Detail: Sen. Cantwell enlists moderates Joe Lieberman (I-CT) and Susan Collins (R-ME) to introduce legislation that would curb high food and gas prices.

speculators headed for the exits, oil prices fell back down to a range of \$40 to \$60 a barrel.

Throughout all of this, where was the CFTC? The commission had been deliberately crippled by legislation passed in 2000 as a favor to Enron and to big trading houses such as Goldman Sachs. The legislation, with the Orwellian name the Commodity Futures Modernization Act, was initially sponsored by Sen. Phil Gramm, a Republican from Texas, but it had the backing of the Clinton administration and its allies among big financial houses. Among other things, the bill prohibited the SEC, CFTC, and state regulators from regulating swaps either as insurance or as securities—or even as gambling!

Despite Cantwell's relentless investigations, the CFTC in 2007 and 2008 was still dominated by Bush appointees. The agency refused to issue regulations discouraging excessive speculation or requiring disclosure of trading positions, which would have allowed the commission to detect and head off such market manipulation. That challenge would fall to Bush's successor.

IT CAME AS A SHOCK TO Cantwell when Obama's nominee to head the CFTC turned out to be none other than Gary Gensler. "My reaction was, 'Oh my God, not again,'" Cantwell told me. Gensler was not only opposed to Born's proposals to regulate derivatives, he had been a senior trader at Goldman Sachs. And although he acknowledged the conflict of interest and kept away from derivatives policy during his first year at the Clinton Treasury in 1997–1998, he subsequently became an active participant.

Cantwell immediately put a hold on Gensler's nomination. After a lengthy meeting with Gensler on Jan. 15, Cantwell sent him a letter soliciting commitments on several regulatory issues involving derivatives. His reply, dated Feb. 11, was detailed, but it deftly fudged key questions. For example,

would all derivatives contracts be required to be traded on exchanges regulated directly by the CFTC or only "cleared" in industry-sponsored clearinghouses, a softer remedy being promoted by the industry?

Little by little, however, Gensler came around to Cantwell's demands. He went on a charm offensive, meeting with consumer groups, speaking with the press, and promising a total change of heart. I was startled to get a phone call, out of the blue, from a White House handler saying that Gensler was eager to meet with me. (Due to scheduling problems, the meeting never took place.) However, Gensler sounded like such an ardent, born-again regulator that even Public Citizen, the consumer group founded by Ralph Nader, put out a press release supporting his confirmation. Remarkably enough, Gensler's conversion turned out to be the real deal.

One of the problems with derivatives is that the ones most prone to abuse are not traded on exchanges. They are sold directly from their originator to the customer, "over the counter." Therefore, there is no daily "price discovery" as in the case of an ordinary stock or bond, no transparency, and no competition. Derivatives are a bonanza for Wall Street, and over 90 percent are originated by the top four banks. The cure for this is to have all such derivatives traded on exchanges. A second problem is that derivatives lend themselves to market manipulation. The cure for that is to empower the CFTC to monitor and limit the trades and positions taken by major players. "They say that the insiders will always come up with new things, new ways of defeating regulation, new kinds of off-the-books games," Cantwell says. "That's why you need really bright lines." As negotiations over Gensler's confirmation dragged out from February to mid-May, Gensler ultimately agreed to most of Cantwell's positions. But Cantwell was taking no chances. She pressed Treasury Secretary Timothy Geithner to put these

commitments in writing. In a key conversation in early May, Geithner balked. But moments after Cantwell got off the phone with Geithner, her phone rang. It was Larry Summers. After marathon negotiation sessions, Summers agreed to a letter committing in detail to fundamental reform. This is the kind of hardball seldom played by liberals, and it seemed to work. "We knew," Cantwell told me, "that if we ever were going to get something passed, we had to exert some leverage."

The letter, written by Geithner May 13, made explicit commitments about exchange trading, position limits, and new anti-manipulation powers for the CFTC.

A jubilant Cantwell took the Senate floor May 14. "For months," she said, "I have been urging the administration to move quickly to propose strong regulatory controls on these markets, require transparency in derivatives trading, and restrict market manipulation. With the announcement yesterday by Treasury Secretary Geithner, in a letter he sent to Senate and House leaders, the administration has come down decisively on the side of imposing order on a marketplace whose collapse made this current recession so much deeper and more painful for the average American than it needed to be."

She waived her hold on Gensler, but her suspicions were not entirely allayed. She still voted against confirming him. As Cantwell dryly said to me in an interview not long afterward, "It's not unheard of in D.C. to feign a commitment and then not fight hard to have the legislation pass."

That skepticism understated what was coming. Though Gensler fought inside the administration to keep his word to Cantwell, the Treasury Department released a white paper on June 17 that was weaker than the commitments in Geithner's May 13 letter. And the financial-reform legislation that Geithner sent to Congress in August was even weaker than the white paper. The loopholes were widened further by the House Financial Services Committee after an industry lobbying offensive that was supported by the 15 members of the New Democrat Coalition on the committee—and these loopholes were not resisted by the administration.

The working draft of the House bill does not require all derivatives to be traded on exchanges. It completely exempts many categories of derivatives, such as those involving foreign exchange and trades in which one party is not a swap dealer or major swap participant. And it widens the loopholes allowing trades to be executed off exchanges, beyond the scrutiny of regulators.

"The Treasury Department should be ashamed of themselves," Cantwell told MSNBC in mid-October. She added, "What is moving through on the House side is a bill that supposedly has a new rule but it has so many loopholes that the loophole actually eats the rule. ... Current law with its loopholes would actually be better than these loopholes."

CANTWELL NOW FINDS HERSELF closely allied with the man whose nomination she opposed, Gensler—who really is a born-again regulator. He is at risk of becoming the Obama administration's own Brooksley Born. In a letter Aug. 17, Gensler bravely and explicitly criticized Geithner for weakening reform. In the case of exclusions for foreign-currency transactions, he wrote, "These exceptions could swallow up the regulation that the Proposed OTC Act otherwise provides for currency and interest rate swaps." He also criticized the proposed exclusion for transactions where one of the parties was not a swaps dealer. "This excludes a significant class of end users from the clearing and mandatory trading requirement," he wrote.

Cantwell is more blunt. "Under this provision," she says, "Enron could be an end user." She hopes that the Senate, which will take up derivatives later this winter, can undo some of the damage wrought by the House. Although in recent years the House has been more able than the Senate to produce strong consumer legislation, financial issues are quirky. Three House committees have jurisdiction over derivatives: Agriculture (when options and futures began, they were for products like winter wheat and pork bellies), Financial Services, and Energy and Commerce (since many derivatives involved energy trading). Agriculture Committee Chair Collin Peterson, one of the most conservative Democrats in the House, was nearly denied

his chairmanship for voting too frequently with the Republicans. On the Financial Services Committee, pro-industry New Democrats added amendments to weaken the bill, and Chair Barney Frank has wavered on key issues.

By contrast, in the Senate, where Cantwell serves on the Energy and Natural Resources Committee, Bank-

ing Committee Chair Chris Dodd has a tougher view of derivatives regulation, as do the key Democrats on Energy and Natural Resources and on Agriculture. The new Ag Chair, Blanche Lincoln of Arkansas, has hired as staff director Rob Holifield, a close associate of Gensler.

Like Federal Deposit Insurance Corporation Chair Sheila Bair, another improbable crusader for stronger financial reform, Gensler enjoys a term appointment. Like Born, he cannot be fired, only isolated. The whispering campaign from the Treasury and the White House is that Gensler is a bit "utopian," meaning that he, unlike Summers and Geithner, is serious about reform. It strengthens his hand enormously to have an ally like Maria Cantwell.

"They seem to think that if Wall Street gets healthy again making all this money, some of it will wash through to the rest of the economy," Cantwell says. "Treasury has gone back on their original commitment to us. Gensler called Geithner on it. He's decided that he's going to be David to their Goliath. The battle lines have been drawn." **TAP**

Cantwell's toughness strengthens the hand of Obama administration reformer Gary Gensler.

Don't Blame the Billionaires

Who cares about the excesses of the rich? It's the fate of the poor that matters.

BY DALTON CONLEY

When I was growing up, my mother used to sing me the old adage, "The rich get richer and the poor get poorer," before hastening to add, "And it's all Ronald Reagan's fault." Because I had campaigned for Jimmy Carter as a wide-eyed 11-year-old, this was one of the few maternal claims that I did not dispute in my adolescence.

In decrying the rising inequality of the 1980s, my mother was speaking from a long tradition, extending back at least a century, of progressives shaking their fists at economic disparities. During the 1970s, just as the midcentury compression of economic difference was ending, philosophers and social scientists were becoming concerned with the issue. In 1971, philosopher John Rawls penned *A Theory of Justice*, his magnum opus arguing that social policy should be based on the imperative to narrow the difference between the welfare of the most and the least well-off in society. The following year, sociologist Christopher Jencks and his colleagues authored a book titled *Inequality*, in which they argued that attempting to promote the American dream of economic mobility was futile and that if we were truly concerned with equal opportunity, the only real solution was to lessen inequality.

Maybe it was rapidly rising living standards that stimulated such interest in the issue of inequality back then. Like environmentalism, worries about inequality are a luxury that folks seem to indulge in when they are flush. When times are hard—like now—families are too worried about their own finances to be concerned about how the Joneses are doing. One study shows that while for Europeans, inequality truly makes them less happy, in the United States only the moods of rich leftists are adversely affected.

My mother was, in fact, only half correct when she quoted the old saying about income polarization. In the United States, the family that is richer than 90 percent of Americans reaps incomes that are between five and six times larger than the family that is better off than only the bottom 10 percent. (In Sweden the rich are about 2.5 times wealthier than the poor; in the Netherlands they are about three times wealthier; and in Great Britain they are approximately 4.5 times wealthier.) If we stop here, we might conclude that my mother was right about the rich getting richer and the poor getting poorer.

But the truth is that the rich have gotten richer, full stop. If we break down this 90-to-10 ratio into two parts—how the

top is doing relative to the middle and how the middle is doing relative to the poor—we find that the growth in inequality has been almost all concentrated in how much better the top percentiles are doing than the middle. The poor have for the most part kept pace with the middle class (whose incomes have been fairly stagnant), but both those groups have watched their proportional share of national wealth dwindle as the upper end has broken records for income growth. However, the rising share of national wealth held by the richest 10 percent of Americans has recently hit a wall and declined from the 2007 peak (which matched the 1929 peak). But should my mother cheer this news? Are we better off? It's the fate of the middle and lower classes that should concern progressives, not how many private jets the super rich can afford.

As for blaming Reagan? As much as liberals would like to think so, rising inequality is not his fault. It's not even George W. Bush's fault. Nor is it his father's fault. The sharpest rise, in fact, occurred on Carter's watch. Much more important are factors well beyond the control of politicians: globalization, immigration, demographic shifts, and changeover to a knowledge economy.

Inequality—and its consequences—is the wrong target. It's time for progressives to spend less time trying to prove the effects of inequality on health, growth, and politics and instead start focusing on opportunity for those shut out entirely.

FOR LIBERALS, IT IS self-evident that inequality has had consequences for society as a whole, from health to the economy. Meanwhile, since the Scottish Enlightenment conservatives have argued that inequality is the engine of progress: Differential rewards lead to ingenuity, industriousness, and innovation. But social scientists have long struggled to determine the effects of inequality because it is impossible to study in any systematic way. We can't do experiments to assign some communities to enjoy (or endure) greater equality than others. In lieu of some grand economic experiment, many scholars have focused on comparisons over time and across places.

A few years ago, there seemed to have emerged a cottage industry on the deleterious effects of economic inequality on health. While it has long been established that there is a class gradient in health—poorer folks are typically less healthy than the well-to-do—it has been much more difficult to resolve why this is so and whether the degree of societal inequality itself

has an effect on health. The “weak” case is that it’s worse for your health and longevity to be poor in a society where the rich are really rich; the “strong” case is that even if you are rich, equality is better for your health.

Early research found that folks in more equal Sweden and the Netherlands were healthier than we here in the United States and our Anglo brethren in the United Kingdom and Australia where inequality is higher. However, the easy rejoinder is that whatever it is that produces that equality—racial homogeneity, culture, powerful trade unions—is also causing health. To get around this, researchers have used comparisons over time within countries, but it’s not like inequality is driven up and down randomly like the weather. So whatever is affecting the level of economic differentiation could also be affecting health, whether that’s government policy, immigration, or fertility.

Other studies have shown that U.S. states with more inequality are less likely to be healthy. But what really makes the difference between states are policy differences—like minimum wages, welfare rules, ease of divorce, and speed limits—which suggests that, like countries, whatever states do to produce equality also produces population health; equality itself does not produce better health. To tackle this possibility, other researchers have delved into ever more local levels—metropolitan areas, counties, even Census tracts. But there is always an alternative explanation. Even unequal neighborhoods tend to differ from more equal communities in terms of their real-estate trajectories, school taxes, and so on.

The cottage industry of inequality-health studies was stopped in its tracks (or should have been) in 2002, when a couple of economists, Jennifer Mellor and Jeffrey Milyo, showed that inequality is not causally related to the health of a population, although individual incomes are related to individual health. Being poor is bad for your health for a whole host of reasons ranging from lack of adequate preventative and curative care to stress to bad behavioral choices, but being unhealthy has nothing to do with other people’s incomes.

That diagnosis calls for a different policy prescription than

the inequality-health link does: increasing economic growth and opportunity at the bottom.

THIS BRINGS US BACK TO where we started. Is there a trade-off between equity and growth as most traditional economic models suggest? Or are they complements, as economist Paul Krugman argues when he links the Great Compression (the post-World War II dip in inequality) to the robust middle-class growth of the period?

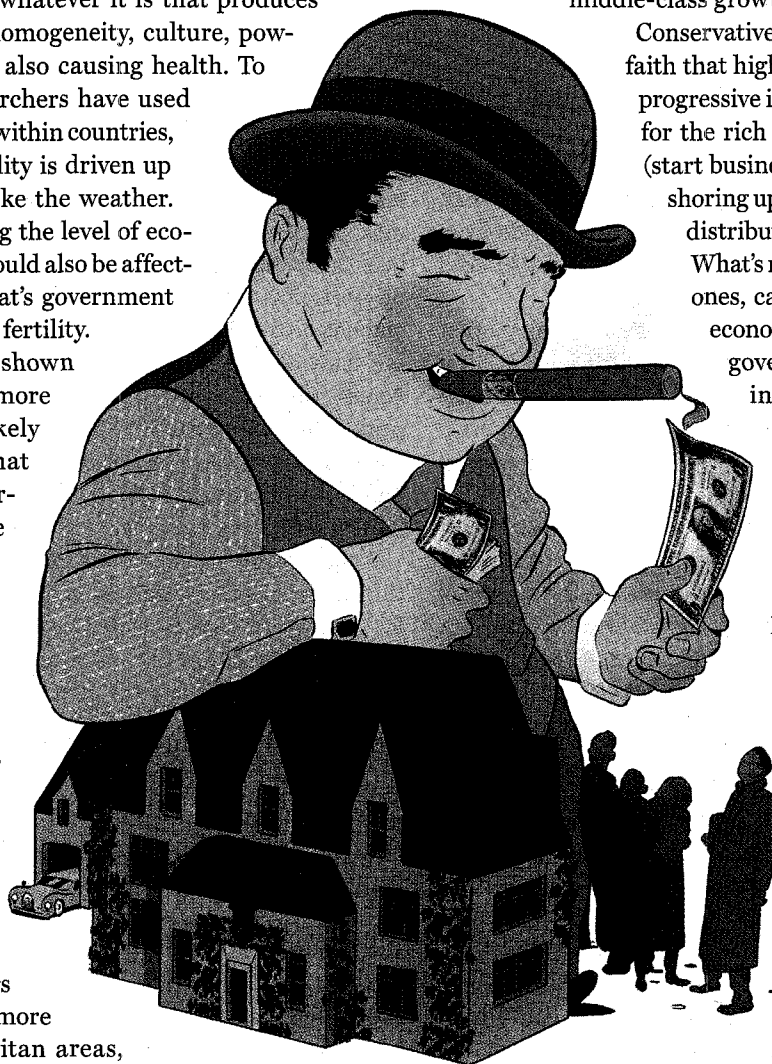
Conservatives have taken it as an article of faith that high capital-gains tax rates and a progressive income-tax erode the incentive for the rich to do good with their money (start businesses, invest, or donate), while shoring up the bottom end of the income distribution softens the need to work. What’s more, taxes, even redistributive ones, cause a deadweight loss for the economy as a whole. In other words, government policies that reduce inequality slow the growth of productivity.

It is indeed feasible to claim that a generous dole blunts the need or desire to drag oneself out of bed to clock in at a low-wage job. However, the claim that higher marginal tax rates or corporate levies slow growth through decreasing incentives to innovate and invest is quite controversial, to say the least. The rich can only consume so much. They could invest elsewhere if marginal tax rates were lower, but offshore tax havens aside, ultimately they have to pay Uncle Sam. Besides, most of the developed world

is less pro-business than we are. And the developing world already has enough to offer with its supply of cheap labor.

The debate about the economic incentives of progressive taxation and direct effects of inequality on growth is really beside the point, anyway. How we spend revenue is much more important than how we raise it. Investments in research and development, infrastructure, and other public goods with high returns are likely to lead to increased economic development. It’s also probably fair to say that taxation that leads to consumption or waste is a huge drag.

What’s up for debate is the vast middle ground: Do investments in health care or education also generate economic growth? Certainly progressives have a strong case when argu-



ing that a healthy, well-educated population pays for itself in the long run. But that calls for an opportunity agenda—preventative health care, oral health, clean air, education from early childhood on through post-secondary schooling—not a focus on ending inequality. These are just a few of the investments we can make whose efficacy and value are backed by good social-science evidence.

Even given the recent economic slump, America is quite a wealthy nation. Back in the 1930s, inequality was still just beginning to decline from its 1929 peak, but Hoovervilles were erected because people needed to eat. Today—barring a recurrence of the Dust Bowl thanks to global climate change—most of us will not suffer from material hardship in the way that our grandparents may have. There is enough shelter in America. Almost everyone has access to clean drinking water and electricity. There is enough (or even too much) food.

In other words, today's crisis is not a productivity problem. All the same, the demands upon the social contract in an affluent, unequal society are all the more impossible to satisfy. That's because with our basic needs satisfied, our aspirations turn to relative desires—which by their definition cannot come true for all. The major sources of economic anxiety today relate to goods and services that often convey status distinctions. There's the \$5,000 gas grill, which is an example often used by economist Robert Frank (who addressed this issue in the *Prospect's* April 2009 cover story, "Post-Consumer Prosperity"). More consequentially, there's housing and college tuition.

So if we are not willing or able as a society to rein in economic inequality, then one alternative model aims to make socioeconomic disparities less important by ensuring that a basic, high-quality floor of opportunity is available in areas such as housing and education.

WE COULD CHOOSE TO DO nothing about inequality. After all, the yawning gap between rich and poor has not led to protest marches. It doesn't appear to be causing bread shortages. And it's highly debatable whether it has any effect on our physical or mental well-being. But economic inequality does not exist in isolation: The elite also wield disproportionate influence on the political process. Where money intersects politics, inequality perverts democracy—and by extension, the public interest.

The lion's share of attention about the corrupting effects of inequality on politics has been focused on issues like campaign donations that grant plutocrats access to politicians. But big money tends to find another way to keep flowing once we put the public thumb over a given spigot, whether through campaign-finance reform or lobbying bans for ex-government workers. Sometimes combating the negative effects of inequality requires thinking politics rather than economics. One way to fix a political system that kowtows to rich donors at the

expense of the public good is to amplify the power of small donors who came out in record numbers during the last election. Many localities, such as New York City, already do this through very generous matches on the order of 6-to-1.

Or we could bring back old-fashioned shoe-leather politics by making districts much more local. Today, the average congressperson speaks for about 700,000 Americans. Back in 1790, the ratio was a mere 60,000-to-1. In 1913, it was roughly 200,000-to-1. If we were to restore that proportionality of representation, campaigns would be cheaper, the political value of donations would greatly decrease, and the salience of grass-roots campaigning would rise dramatically. In proposing such a reform, political scientist Jacqueline Stevens points out that nothing in the Constitution stops us from increasing the ranks of Congress as long as each member speaks for at least 30,000 people.

Nowhere is the linkage between inequality and political power starker than in the realm of finance—now one-fifth of the nation's gross domestic product. The so-called regulators have been totally captured by the regulated, and the notion of the free market has become risible in the very geographic center of global capitalism. Hence the unusual alliance between the far left and the far right in opposing last year's bank bailout. Even if very few voters actually comprehend the messy details of the greatest political swindle in history, at least the public smells something fishy on Wall Street.

The answer, then, is to not decry inequality in and of itself. That's a losing proposition in the United States. Anyway, it distracts from the real issue: opportunity. Whether that's the inadequate health care that the poor disproportionately receive, the dearth of human capital investment at the bottom, or the lack of political voice that most of us have, the game itself is hardly

fair in America. Overhauling this rigged system—not decrying its winners—is a much more effective (and politically wise) strategy to ensure a prosperous and just society for all.

In essence, I am arguing for exactly the opposite of what Christopher Jencks advocated in *Inequality* 37 years ago. Whereas he and his co-authors ultimately resigned themselves to unequal pathways and thus focused on relative shares of the pie, instead, I maintain that inequality is epiphenomenal as long as we focus on maximizing opportunity for all. Let's worry about making sure the circuitry of the American dream isn't shorted, rather than whether some folks draw more current from the grid. **TAP**

Dalton Conley is university professor and dean for the social sciences at New York University. He is author of *Elsewhere U.S.A.: How We Got from the Company Man, Family Dinners, and the Affluent Society to the Home Office, BlackBerry Moms, and Economic Anxiety*.

Is Democracy a Dirty Word?

Advocates hated Bush's attempts to impose freedom at gunpoint but worry Obama's approach isn't much better.

BY TARA MCKELVEY

Last fall, Joshua Marks, a program officer from the National Endowment for Democracy, met with a group of community activists in a classroom in Abeche, a city in eastern Chad. Many of the activists had received small grants, ranging from roughly \$200 to \$5,000, to help in their efforts to foster civil liberties, political rights, and transparency in government. Yet democracy was not what they wanted to talk about on that day. "The main concern at the meeting," Marks says, "was 'How are we going to feed ourselves?'"

The local population had doubled over a three-year period, from 60,000 people to 120,000 people, as refugees from Darfur poured over the border in search of a peaceful haven. Many of the residents were going hungry, and the area was distressingly short on firewood, cooking oil, and maize. The activists in the classroom were anxious, even fearful. Marks decided it was not the right moment to steer the conversation back to good governance. Instead he spoke with the residents openly, allowing for an environment in which democracy would "grow organically." "I realized that if I'm going to be honest about my work, I have to recognize what they are saying," Marks says.

His experience reflects the larger conundrum of dozens of nongovernmental organizations and American nonprofits that help people around the world work toward free elections and representative governance. As Marks has discovered, developing a country's infrastructure and improving food security often take precedence over long-term goals of democracy-building.

In recent years, humanitarian aid has not been seen as closely linked with fostering democracy. Under the banner of "democracy promotion," former President George W. Bush marched toward war in Iraq and Afghanistan and portrayed elections as the only way of evaluating a country's progress. Now, perhaps unsurprisingly, under President Barack Obama "there's been a notable downplaying of democracy as a foreign-policy priority," says Michael Allen, who edits the newsletter *Democracy Digest* and also works for the National Endowment for Democracy.

The Obama administration is focusing on international efforts such as agricultural programs, women's rights, and economic development rather than on elections. It has also taken a more holistic approach to foreign policy, choosing to engage with nondemocratic regimes abroad in the hopes of finding

some common ground. Democracy-promoting organizations such as the National Democratic Institute, the International Republican Institute, the Eurasia Foundation, and Freedom House are listening carefully—"Kremlin style," as one expert puts it—to the statements of Obama and his Cabinet members for signs that the administration considers democracy a priority. Most aren't liking what they've heard so far. When asked about Obama's approach to democracy promotion, many activists in the field sound like hurt and angry ex-boyfriends. "It's too early to talk about important changes in the Obama administration," one analyst says defensively.

"There is concern among activists that perhaps the administration sends the wrong signals to authoritarian regimes when it downplays democracy so much that it may be seen as neglected," Allen says.

In April, Secretary of State Hillary Clinton addressed members of the Senate Appropriations Committee, saying, "The foreign policy of the United States is built on the three D's: defense, diplomacy, and development." To the dismay of democracy promoters, that other "D"—democracy—was not included. And when Obama referenced American foreign policy in his Inaugural Address, he said, "To those who cling to power through corruption and deceit and the silencing of dissent, know that you are on the wrong side of history, but that we will extend a hand if you are willing to unclench your fist."

"He did not say, 'to any democracy,'" says Steven Simon, an adjunct senior fellow at the Council on Foreign Relations and co-author of *The Next Attack*. "A lot of people have written in the margins, 'Include here, democracy promotion,' and none of that stuff has ended up on the teleprompter."

From a monetary perspective, at least, democracy-promoting NGOs have nothing to complain about. The Obama administration requested a 9 percent increase in funding for democracy-related projects, asking for a total of \$2.81 billion in the State and Foreign Operations budget for fiscal year 2010. Yet advocates worry that specific democracy issues—such as freedom of the press and freedom of assembly—may wither for lack of attention, and funding could drop in the years to come.

"I just think Obama's too smart to put democracy at the top of the foreign-policy agenda," Simon says. "It's too demanding. In the Arab world, it's been rendered toxic by the Bush administration."

DEMOCRACY HAS A VERY straightforward definition: a government by the people, along with a respect for human-rights and justice. The definition of democracy *promotion*, however, is nothing if not contentious. Activists in the field have long debated how much emphasis should be placed on elections and how much should be placed on issues such as women's rights and judicial independence. Traditionally, the tendency on the right has been to put more stock in the elections, which are a shaky measurement of a nation's level of democracy because results can be fraudulent (case in point: Afghanistan). People also can, and do, elect tyrants. In contrast, experts on the left have argued that a more reliable metric can be found by examining a nation's civic institutions and its system of justice.

Obama's scaled-back approach to democracy promotion has cost him little or no political capital among Democrats, who feel burned by Bush's disastrous approach and are significantly less likely than Republicans to support democracy promotion. A 2007 Pew survey shows that 54 percent of Democrats believe it should be featured in U.S. foreign policy, compared to 74 percent of Republicans. Opinion polls show that across the board conservatives are more likely than liberals to say that the United States should help establish democracies in other countries.

Americans at both ends of the ideological spectrum acknowledge that everyone in the world wants to live in a free society. The rift is over how—or whether—we should help them. Historically, American efforts to promote democracy abroad have been tied in with our economic or strategic interests. “To insist that the liberation of others has never been more than an ancillary motive of U.S. policy is not cynicism,” says Andrew J. Bacevich, a Boston University professor and author of *The Limits of Power: The End of American Exceptionalism*. “It is a prerequisite to self-understanding.”

Decades ago, President Ronald Reagan made ridding the world of communism a core mission of the United States. He placed democracy promotion high on the foreign-policy agenda and helped establish the National Endowment for Democracy. Meanwhile, he maintained friendly relations with pro-American autocracies because he believed that they, unlike communist dictatorships, could someday make the transition to democracy.

In the years since, both Democrats and Republicans have spoken about democracy promotion with exuberance, often turning to the military for help in achieving their goals. In 1989, President George H.W. Bush sent 22,500 U.S. troops to Panama to oust Manuel Noriega and, Bush declared, to defend democracy. At times, President Bill Clinton approached the issue in the same way. He announced in the 1992 presidential campaign that he believed in “an American foreign policy of engagement for democracy,” and while he was in office he

worked to expand the worldwide base of liberal democracies through a policy known as “enlargement.”

Clinton put stock in various areas of democracy promotion, such as helping to develop independent legal programs in other countries, rather than mainly focusing on elections as Republican presidents had done. “It became not just a moral thing but a commonsense thing because it was going to promote global prosperity,” explains Simon, who served as one of Clinton's counterterrorism aides. Like Reagan, however, Clinton was also willing to use force: The U.S. effort in Haiti to reinstate President Jean-Bertrand Aristide was known as Operation Uphold Democracy.

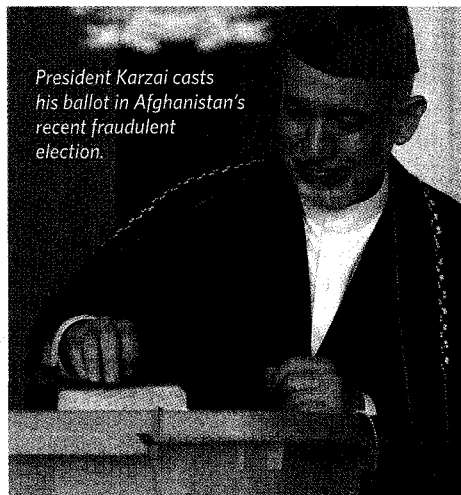
George W. Bush took military-enforced “democracy” to a new level. After failing to find weapons of mass destruction in Iraq, Bush declared it was our national obligation to help Iraq become a democracy. “Our struggle is similar to the Cold War,” he said in a 2002 graduation speech at the U.S. Military Academy at West Point. “America confronted imperial communism in many different ways—diplomatic, economic, and military. Yet moral clarity was essential to our victory in the Cold War. When leaders like John F. Kennedy and Ronald Reagan refused to gloss over the brutality of tyrants, they gave hope to prisoners and dissidents and exiles, and rallied

free nations to a great cause.”

Bush added that “America cannot impose this vision.” But under his so-called Freedom Agenda, the United States sought to establish democracy at gunpoint and trampled on the rights of prisoners and terrorism suspects. Bush's language had “a self-righteous and theological flavor,” as James Traub writes in his book *The Freedom Agenda*. According to Lt. Gen. Ricardo Sanchez, Bush's top commander in Iraq at the time, Bush said during the Fallujah battle in April 2004, “If somebody tries to stop the march to democracy, we will seek them out and kill them! ... Our will is being tested, but we are resolute. We have a better way. Stay strong! Stay the course!”

IN OBAMA'S SPEECHES THAT mention democracy, he is careful to set himself apart from Bush's vision. In a Sept. 23 address to the United Nations, Obama said, “Democracy cannot be imposed on any nation from the outside. Each society must search for its own path, and no path is perfect. Each country will pursue a path rooted in the culture of its people, and—in its past traditions—America has too often been selective in its promotion of democracy. But that does not weaken our commitment; it only reinforces it.”

Most of the people who work in the field of democracy promotion in Washington agree with Obama's positions. But they have made clear that one of the hallmarks of Bush's approach—the promotion of free elections—is not the most important



President Karzai casts his ballot in Afghanistan's recent fraudulent election.

way to foster democracy in other countries. In fact, they are quick to point out that free elections are often illusory because autocratic leaders rig the vote count.

Instead, democracy advocates argue, the U.S. government should help provide assistance for other forms of democracy-building, such as resources for women's groups, public-health initiatives, agricultural projects, and other ways to help strengthen a nation so that democracy may someday take root. Indeed, this is basically what Obama wants to do.

However, the people who work in democracy assistance would like Obama to restore the role of democracy promotion as a central part of the foreign policy—minus the hysteria and warfare of the Bush administration. For the past three years, democracy has been on the decline in dozens of countries, according to Freedom House. In countries like Russia, Uzbekistan, Egypt, and Venezuela, “representatives of democracy assistance NGOs have been harassed, offices closed, and staff expelled,” according to a report by the National Endowment for Democracy. The situation is worse for people who are living in other countries and have received U.S. grants for democracy promotion, since some of them “have been threatened, assaulted, prosecuted, imprisoned, and even killed.” Democracy activists in Islamabad, Cairo, Addis Adaba, and in other cities around the world are justly concerned about whether they will continue to have the support of the United States as they push for reform.

While the budget for democracy promotion has increased overall, funding for important regional projects, such as independent civil-society groups in the Middle East and North Africa, has been reduced by 29 percent. In Egypt, where bloggers and journalists have been arrested, imprisoned, and even raped, U.S. funding for democracy programs has been cut by approximately 50 percent, to roughly \$22 million. Egyptian President Hosni Mubarak has imposed restrictions on American funds for democracy groups. Only those organizations that have been approved by the Egyptian government are eligible for the money, providing Mubarak with “a local veto over U.S. aid,” according to a June 6 op-ed in *The Wall Street Journal*. Bush pushed back against these restrictions, but Mubarak demanded they be reinstated earlier this year, and U.S. State Department officials accepted the change.

Several U.S. Embassy officials “have sought to distance themselves from civil society and human rights leaders who were not favored by the host government,” according to a July 2009 report by Freedom House. Without the explicit support of the United States, these local leaders could be jailed, beaten, or worse. A Kabul-born psychologist who lives in Washington says that if Americans do not support the Afghan women who took to the streets earlier this year in order to secure rights, whether through government grants or public statements of solidarity, then “they will be lost.”

The Obama administration has made a deliberate decision

to focus on the overall relationship that the United States has with countries like Egypt, placing an emphasis on areas such as trade and terrorism and downplaying troublesome issues like democracy. “Look, I think it’s an issue,” says Steven A. Cook, a senior fellow at the Council on Foreign Relations. “I think we should not allow the country in question to dictate how we spend our taxpayer dollars, but it shows that the Obama administration wants to see a relationship in its entirety. They’re making these kinds of compromises.”

Obama’s more culturally sensitive approach to democracy promotion is clearly better than the cowboy stance that was favored by Bush. Some advocates defend Obama, explaining he has not turned his back on democracy promotion, just adopted a subtler way of discussing it. Administration officials understand that simply granting people the right to vote does not guarantee a free society, and they seem to believe that it is better to eschew symbols in favor of carrying out pragmatic work on the ground. And yet the pendulum may have swung too far in the other direction, say other democracy advocates. Obama has become so restrained that he has allowed autocrats like Mubarak to get away with extraordinary demands on the awarding of U.S. aid, sending a signal to leaders of repressive nations that democracy abroad is not a fundamental concern of his administration.

Democracy promotion is an art, not a science. There is no empirical data that shows that authoritarian regimes respond

to U.S. pro-democracy programs by scaling back repressive policies or that humanitarian missions are less effective at helping a country make progress toward democracy. As Michael McFaul, who is currently serving on the National Security Council, points out, “If the domestic conditions aren’t ripe, there will be no democratic breakthrough, no matter how crafted the technical assistance or how strategically invested the small grants.” That does not mean

that U.S. democracy assistance is worthless—just that the metrics for it are a bit fuzzy.

People like Marks who are experienced in on-the-ground democracy promotion know that sometimes it’s better to take the long view. Over the past five years, Marks has visited Chad, Congo, and other countries in Africa and watched people take incremental steps toward more democratic societies. On one of his visits to Congo, as he recalls, he saw a clunky old car, a Peugeot that was built in the 1960s, on a highway, not far from the capital city of Kinshasa. A stick of wood was propping up the hood of the car, bags and people were piled inside, and it could “hardly putter along.”

Still, the Peugeot moved, and watching it rumble down the highway captured the experience of democracy promotion in Congo as well as in other places around the world. “You could sort of throw your hands up, or you could look further down the road and say, ‘It’s gotten this far. Let’s see how much more it can do.’” **TAP**

The administration's view is that simply granting people the right to vote does not guarantee a free society.

Culture & Books



MEDIA

Read Local

As the broader publishing world flounders, alternative presses are turning to their communities for support.

BY ANNA CLARK

When I get a little money, I buy books; and if any is left I buy food and clothes." So said Desiderius Erasmus, a Dutch priest born less than 20 years after the printing press was invented. This holiday season, publishers might like to see his ilk in bookshops. Traditionally, the book industry depends upon the December gift-giving season to buoy its entire year. Many publishers shape their catalog around the

six-week window of intensified shopping that carries particular urgency in the depths of a recession.

But this "make or break" bookselling strategy is one holiday tradition that a handful of innovative publishers are eager to end.

In search of sustainability, some publishers and booksellers are adapting ideas from the food movement. Community-supported agriculture (CSA)—

in which consumers buy a share of a farm's produce yield for the season—translates to community-supported publishing (CSP), in which readers subscribe to an independent press that in return delivers books to their doorstep every month. "Buy Local" becomes "Buy Indie." And the do-it-yourself momentum behind home gardening parallels the energy behind literary chapbooks, a traditional form that's finding new popularity and legitimacy in the 21st century. More than a marketing strategy, the sustainability shift is carving out a place for diverse ideas—even in an economic climate where mainstream publishers abhor risk.

South End Press is among those that are crafting alternative models of publishing. The nonprofit, collectively run press has an author list that includes

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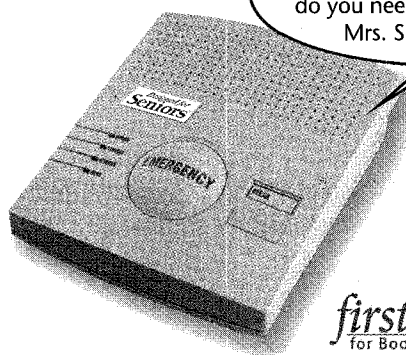
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Noam Chomsky, Cornel West, bell hooks, Howard Zinn, Arundhati Roy, and Vandana Shiva. Founded in 1977 in Boston, South End opened a second office in Brooklyn this year to better situate itself financially and as a movement-builder.

The inspiration behind the CSP program is clear. South End's Web site invites potential subscribers to enjoy "a steady crop of books" that feature "all the new varieties and choice heirloom selections free each month." CSP subscriptions start at \$20 per month. Members receive a book each month and a 10 percent discount on all further purchases; when no new title is available, members get an item from South End's backlist that is deemed to be timely. During this year's health-care debate, CSP members received *Sickness and Wealth: The Corporate Assault on Global Health*, a 2004 anthology of essays.

Asha Tall of the South End collective said that the publisher explicitly borrowed from the food movement's CSA model when it developed its community-supported publishing program in 2006. "We were looking for ways to engage more directly with readers," Tall says. At the same time, Tall adds, the CSP program was intended to "relieve the effects of the consolidation of book distribution."

With about a hundred CSP members, South End can count on a certain number of sales up front, allowing it to effectively underwrite its projects. The program brings in money throughout the year from supportive readers, rather than depending on the whims of holiday shoppers. Alex Straaik, an editor at South End and a collective member, says that "with a holiday gift subscription drive and by spreading the word to our new allies in Brooklyn," the publisher intends to significantly grow the program.

South End is looking for people like Soula Pefkaros, a 28-year-old activist in Virginia who is the creator of a documentary photo exhibit about "small ecologically conscious farming and the people building an alternative food paradigm,"

as she describes it. Pefkaros is willing to apply those beliefs to her reading habits as well—she spent a year as a member of South End's CSP program and plans to rejoin soon. "I intend to have a CSP again in the future because, first, it makes me feel good and I enjoy their books; and second, I want to keep supporting an organization that plays such a vital role in meaningful social change," Pefkaros says. "I really believe in South End Press and what they're trying to do."

And South End is not alone. PM Press, based in Oakland, California, produces books, pamphlets, videos, and audio materials. Not more than two years old, it shares much of its ideals with South End. "We're a publisher of fine material, with a decidedly leftist, progressive bent," says PM co-founder Ramsey Kanaan, who brings more than 30 years of publishing experience to this new venture. PM calls its CSP initiative Friends of PM, which offers four membership opportunities for people who want to "help impact, amplify, and revitalize the discourse and actions of radical writers, filmmakers, and artists." For \$25 a month, Friends of PM get either every

published book and pamphlet or every CD and DVD, along with a 50 percent discount on anything else from PM. For \$40 a month, members receive all PM releases plus the discount. Friends who contribute \$100 a month receive all PM merchandise, free downloads, and the discount. About

60 people are currently members of the young program, though Kanaan admits that "6,000 would be nice."

Kanaan is quick to point out that Friends of PM is a variation on a theme. People used to subscribe to books when titles were serialized and came out in installments. Likewise, listener-sponsored radio has been on the air since 1949. By returning to traditional storytelling models of direct connection, PM Press is both radical and old-fashioned.

"Whether it's sustainable is still an

open question," Kanaan said. "Whether any media is sustainable is an open question, which is why media is in crisis. Surviving in this climate is a measure of success."

Lisa Jervis is among those who believe that PM is on the right path. "No one knows what's happening with print publishing in the long term," says Jervis, who published her book, *Cook Food: A Manualfesto for Easy, Healthy, Local Eating*, with PM Press this year. "No one knows what the successful model is, so why not try something? If a measure

The mainstream press offers only products, while community-sponsored publishers strive for credibility.

of success is to get to work on projects that are great and important, then this is a good start."

Both South End and PM host catalogs that cohere around a commitment to radical social change. But for a general publisher—independent or otherwise—it remains an open question whether this strategy is workable. If the CSP model depends upon the reader's commitment to the sustainability of the publisher, what happens when the publisher doesn't have nearly so distinct an identity as South End and PM? "I think it's a harder sell for the mainstream press," Tall says. "The idea they push is that they offer a product you want. If it's *only* a product, that's all you will buy from them."

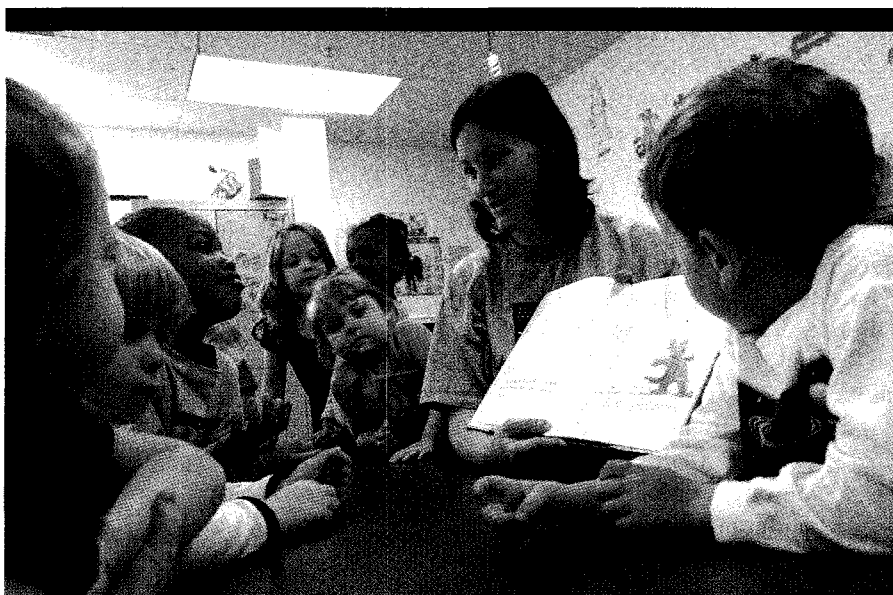
Kanaan adds that the community-supported model is difficult for traditional publishers due to the inflexibility of corporate culture and to what he calls "the credibility gap." For readers like Soula Pefkaros, this credibility is the key factor. "I trust South End Press. That is, for me, an invaluable piece of my CSP," Pefkaros says. "I felt it was one way I could hold myself accountable to educating myself about things that I feel are important."

To reach readers who don't necessarily want to make such a commitment to a single publisher, the literary world is also seeking sustainability through the Buy Indie movement. Much like



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the foodie Buy Local campaign, which urges consumers to support local farmers, Buy Indie spotlights the benefits of local booksellers over chain or online stores. The movement emphasizes how community support leads to thriving local economies.

"Spend \$100 at a local [bookstore], and \$68 of that stays in your community. Spend the same \$100 at a national chain, and your community only sees \$43," touts the Web site of IndieBound, an association founded by independent booksellers in 2008. Though it has expanded its focus to include other community-oriented and independent businesses, IndieBound retains a bookish emphasis. Its Web site features reading-group guides, book wish lists, and profiles of local bookshops. Visitors are invited to explore Indie Bestsellers—drawn from weekly reports by independent booksellers across America—and the Indie Next List of recommended titles.

"Indiebound.org is booming with users," says Paige Poe, the IndieBound outreach liaison for the American Booksellers Association. She added that the IndieBound application for iPhones is especially popular, along with the affiliate program, which rewards bloggers and reviewers who link to books on indie bookstores' Web sites.

In that same vein, a collaborative blog titled quite directly "Buy Books for the Holidays" advocates for shopping at independent stores. "What's at stake is the wealth and diversity of book culture," wrote author Joshua Henkin in a blog post about the Buy Indie campaign during the last holiday season. "I would especially encourage you to buy books from independent bookstores, which are in the most serious trouble and which promote books that go beyond the usual bestsellers and where the employees really know about books."

"Independent booksellers are the unsung heroes in what are very difficult times," Henkin adds.

Indeed, the Buy Indie movement seems to be gaining traction. In last year's holiday shopping season, independent stores outperformed their chain counterparts, according to a 2009 sur-

vey from the Institute for Local Self-Reliance. Stores located in cities with robust Shop Local and Buy Indie campaigns performed best of all. "The success of the local food movement, and the success of independent businesses during the last holiday season, makes us fairly confident that the interest in local will spread to and sustain local, independent retailers," Poe says.

Just as the food movement is looking back several decades to a time when we ate more sustainably, the publishing world is finding a renewed interest in chapbooks, small volumes of fiction or poetry, often handcrafted and artfully designed, which are available in limited distribution. The chapbook has a storied history—it was the chosen medium for literary classics like T.S. Eliot's "The Waste Land" and the first edition of Allen Ginsburg's "Howl." Now a new generation of writers is embracing the uncommon hands-on creativity that it offers. Last April the City University of New York hosted an inaugural three-day festival called A Celebration of the Chapbook. Meanwhile, there are dozens of prizes that acknowledge the high-quality work being published in chapbooks, awarded by organizations as varied as the Black Lawrence Press, the Alabama State Poetry Society, and the Center for Book Arts.

"With the culture of the low budget and the homegrown becoming ever more appealing in our difficult economic times, and established outlets for literature seemingly diminishing, chapbook publishing, with its do-it-yourself spirit, is on the rise," writes Kimiko Hahn in the September/October issue of *Poets & Writers* magazine.

More than a movement of "independence" from corporate publishers and booksellers, this is a movement of interdependence. You might say that these choices—whether they take the enthusiast to homemade chapbooks, indie booksellers, or community-supported publishers—are nourishing a diverse literary ecosystem in which readers recognize their stake in a vibrant culture. After all, we are at a moment of unprecedented corporate-media consolidation;

particularly in a recession, there is little room for writers with unconventional or "controversial" ideas in the mainstream press. And yet alternative ideas remain a potent force. As Kanaan points out, "There's a reason there were book burnings. There's a reason books continue to

be banned around the U.S. and the world, and why Internet access is restricted in China. Ideas are powerful." **TAP**

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Anna Clark is a writer and journalist living in Detroit. She can be found online at Isak (www.isak.typepad.com).

BOOKS

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DOROTHEA LANGE: A LIFE BEYOND LIMITS BY LINDA GORDON
W.W. Norton, 536 pages, \$35.00

DANCING IN THE DARK: A CULTURAL HISTORY OF THE GREAT DEPRESSION
BY MORRIS DICKSTEIN, W.W. Norton, 598 pages, \$29.95

BY JACKSON LEARS

In contemporary American public life, the mere mention of poverty is considered bad form. Consider some recent attempts to bring up the subject. In 2003, the University of North Carolina assigned *Nickel and Dime*, Barbara Ehrenreich's account of her six months trying to squeeze by on low-wage jobs, to its incoming freshmen for summer reading. University administrators believed the book would be an uncontroversial choice; instead it provoked howls of protest from conservative student groups and right-wing talk-show hosts. In 2008, John Edwards' effort to build a presidential campaign around a commitment to ending poverty proved a nonstarter; many voters apparently thought that he was "just too angry." And even now, as job losses and foreclosures multiply, public discussion of the crisis lacks urgency: The unemployed are encouraged to blame themselves, and victims of housing fraud are made to look like dupes who should have known better.

How times have changed since the 1930s. The Great Depression was the golden age of poor folk in American culture. No one could deny their ubiquity. Documentary photographers discovered the beauty in the world of the poor. So did poets: "It's the anarchy of poverty delights me," wrote William Carlos Williams in 1938, "the old yellow wooden house indented among the new brick tenements."

Frank Capra and other filmmakers sent up stuffed shirts while they celebrated the power of the People. Any evening with Turner Classic Movies will reveal the difference between then and now—in the 1930s the rich are pompous fools while wisecracking working girls steal the show. What a contrast with the flagrant money-worship of our own time.

No wonder progressives look back fondly at the culture of the 1930s and resurrect it periodically for an admiring glance—as these two books do. Both Linda Gordon's *Dorothea Lange* and Morris Dickstein's *Dancing in the Dark* evoke characteristic cultural expressions of the era with subtlety and sympathy. They find new complexities in familiar cultural forms, fleshing out figures we thought we knew well, enriching our understanding of the decade. Yet at the same time they leave us wondering what has been left out and why our collective memory of the period still slips so easily into the same old grooves.

Gordon's subtitle, "A Life Beyond Limits," announces her intent. She will celebrate the great documentary photographer Dorothea Lange as a contemporary feminist, crossing boundaries, refusing restraints, disdaining domesticity. Gordon bends over backward to avoid hagiography. She notes that Lange neglected her children in pursuit of romantic and professional goals—



though she was no more neglectful, to be sure, than either of her two husbands was. Gordon also admits that Lange could be bossy and controlling, toward co-workers as well as children. But in the end her narrative is carried forward by her deep identification with her subject, as a historian who sees herself engaged in a similar dialogue with documents. She concludes that Dorothea Lange's photographs "may well live forever."

Forever is a long time. Still there is no denying that Lange was a fascinating and in many ways admirable figure, whose career powerfully illuminates the interplay of art and politics in 20th-century America. Gordon, an accomplished social historian, captures Lange's complexities in context, as few other biographers are likely to do.

Lange's life encapsulates the shift from the bohemian, individualist left of the pre-Depression era to the earnest, collectivist left of the 1930s and after. Her changing taste in husbands embodied the shift—from the painter Maynard Dixon, whom she divorced in 1935, to the economist Paul Taylor, with whom she documented the migrant farmworkers of the Depression. Dixon was a brilliant draughtsman and realist painter whose work celebrated the desert landscape of

the Southwest, even as he deplored its conquest by Model-T Fords and tourist hotels. He was also a bit of a poseur who liked to dress up in chaps and a ten-gallon hat while he held forth over drinks to his admirers in San Francisco bars. Lange had come to the Bay Area in

Lange was a photographer whose career powerfully illuminates the interplay of art and politics in 20th-century America.

1918. A young woman of 23 with a slight limp from a childhood case of polio, she had left her girlhood home in Hoboken, New Jersey, seeking a career in the still-new medium of photography. She soon became, Gordon writes, "San Francisco's most upscale portrait photographer, most in demand among the rich arty set." Her studio created common ground between the local elite and the arts community. She and Maynard met through mutual friends and married in 1920. He was much older than she, yet still magnetic. Their marriage began in white heat but soon became a rocky slide, accelerated by his long absences, frequent infidelities, crude jokes, and emotional demands. Still, their attach-

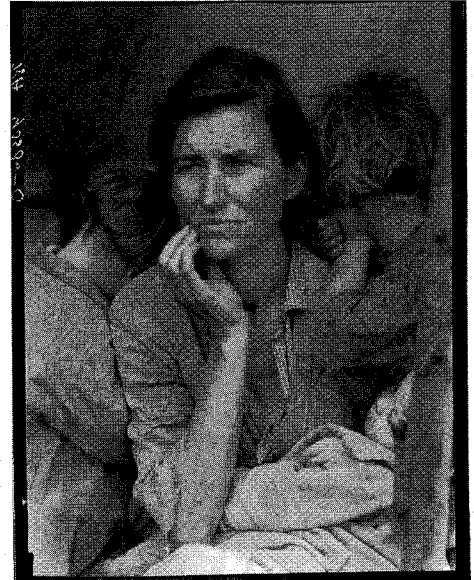
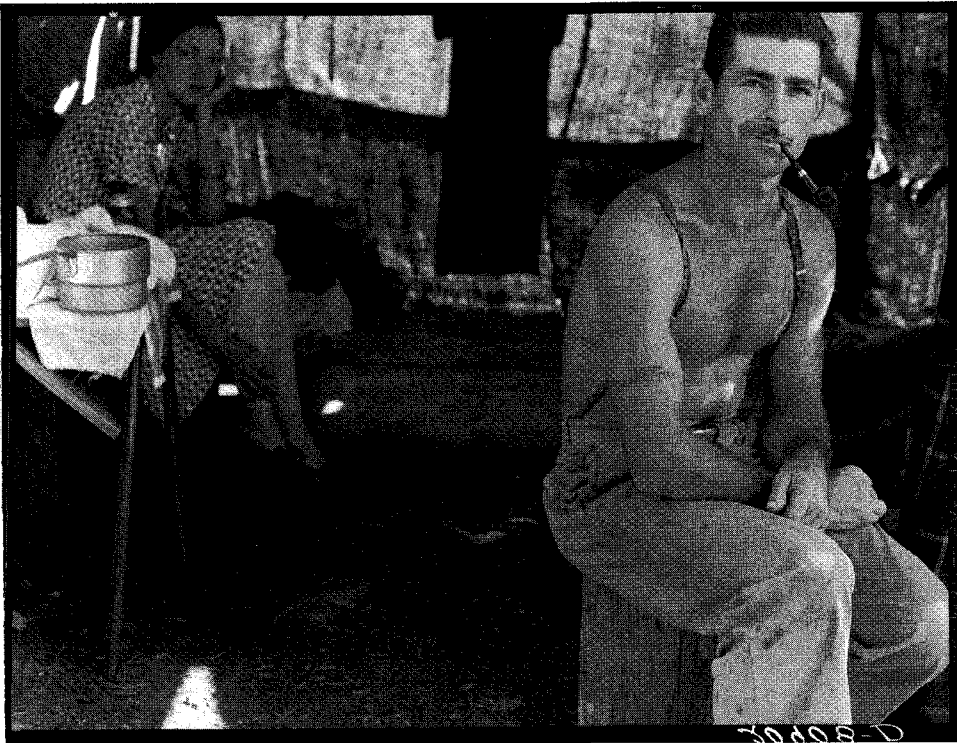
ment persisted until the early 1930s, when Dixon's art sales plummeted and he became increasingly depressed.

Lange, meanwhile, was increasingly drawn into local left-wing politics, which Dixon mostly scorned. One day in 1932, she glimpsed her future as she looked

down into the street at the White Angel soup kitchen; she saw "not only bums in ragged clothes and workmen's caps but also men in suits and fedoras" and snapped her first document

of the Depression. Eventually that capacious vision would narrow: The suits and fedoras would disappear, and only the ragged clothes remain. Still it was about this time that she made her decisive turn toward documentary. Soon she met Taylor, a maverick Berkeley economist, committed to the cause of farmworkers in California. He saw some of Lange's prints at an Oakland gallery and thought he could use them in an article on the general strike that was convulsing labor in the Bay Area. She agreed, and before long he was taking her and a few other photographers to the farm town of Oroville to document the labor troubles there. Taylor was no aesthete. "His interest in photography was instru-

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The Portraitist And Her Politics: Dorothea Lange (far left) in California in 1936; her subjects in the mid-1930s (left to right): pear harvesting in Washington; an unemployed Oregon lumberman and his wife (note his Social Security number tattooed on his arm); the iconic "Migrant Mother"

mental," Gordon writes. "He conceived of it as a forensic technology, a way of documenting wrongdoing." Despite their differences, "they fell in love by watching each other work"—he loosening up as he talked to workers, she moving around quietly, intently, with her hand-held Rolleiflex, in effect turning the fields into an outdoor portrait studio. In 1935, Taylor got a job with the California Division of Rural Rehabilitation and hired Lange to join him as he drove around the state, documenting migrants' misery, advocating the establishment of state-run camps where they could live minimally decent lives. This was how Lange came to define documentary photography as political advocacy.

That project took off when she went to work for the Farm Security Administration, the New Deal agency assigned to investigate the impact of the Depression on rural and small-town America. The head of its photography project was Roy Stryker, a benevolent patriarch who promoted a photographic style, Gordon writes, that was "deliberately vernacular and anti-elitist." Most of his 11 photographers were from urban and immigrant backgrounds; five of them were Jewish. Their cultural backgrounds combined with their bureaucratic assignment to

create an image of the Depression that was not only overwhelmingly rural but also aesthetically distanced and ennobled. And among the thousands of photographs they took, only a few dozen became part of our collective memory. A few were by Walker Evans; most were the portraits of poverty by Lange. What is important to remember is that the photographs that have become icons—the migrant workers and sharecroppers, the poorest of the poor—were only a fraction of the whole. Remarkable as Lange's portraits are, they leave us wondering what is still gathering dust in those FSA file drawers.

For Lange, the FSA was "the great adventure of her life." She quickly caught the connection between portraiture and political advocacy, Gordon observes, realizing that "images of squalor alone are too wretched and too inanimate—or the people in them too distant—to create the outrage and the 'do something' response she and Taylor wanted. Lange learned that images of individuals did that more effectively, and that the individuals could not be too beaten down." As the photographs circulated in books and magazines, they helped arouse public anger against the big growers; in 1938 the voters finally "did something," electing the progressive Democrat Culbert Olson as

governor of California over the anti-labor incumbent Frank Merriam.

This kind of political impact, Gordon writes, "requires both intrusiveness and emotional distance" in documentary work. Nowhere were these qualities more evident than in Lange's most famous work, "Migrant Mother"—a portrait of a brooding "mother of seven" entangled with three of her children, taken by Lange near the pea fields of Nipomo, California, in 1936. Many scholars have traced its extraordinary power to its resonance with archetypal Madonna imagery; Gordon agrees, adding that Lange's own emotionally fraught and ambivalent experience of motherhood no doubt intensified her relationship with her subject. Over time, the photograph became a valuable commodity as well as a cultural icon. Florence Thompson, its subject, gradually came to feel resentful and used, insisting that she should have been paid something for posing. The picture's afterlife raises the awkward and unanswerable question at the heart of the documentary aesthetic: What happens when pictures of poor people become expensive objets d'art?

Lange never questioned her own role. She was a public employee on a minimal salary, making photographs with a



political purpose. In the later 1930s, she turned to documenting Dust Bowl refugees in the West and displaced sharecroppers in the South—the “human erosion” that accompanied the soil erosion produced by heedless monoculture. Her collaboration with Taylor culminated in *An American Exodus* (1939), which embodied Lange’s ambition to create a “visual narrative” of the migrants’ odyssey without the sensationalism (and fictionalized quotations) of Margaret Bourke-White and Erskine Caldwell’s *You Have Seen Their Faces* and without what Gordon calls the “contentless and sentimental patriotism” of Archibald Macleish’s *Land of the Free*. *American Exodus* was, in many ways, the high point of Lange’s career.

World War II and its aftermath formed an anticlimactic denouement to the struggles of the 1930s. Lange’s documentary impulse was frustrated by censorship when she went to work for the Office of War Information, especially when she recorded the internment of

Lange’s Dust Bowl refugees and displaced sharecroppers were the “human erosion” that accompanied soil erosion.

Japanese Americans. So was her work for *Life* magazine in the 1950s, as her health began to fail. “Nostalgia for a less corporate society,” as Gordon writes, led Lange to look backward in a photo essay on County Clare, Ireland, but also forward to the environmental movement. In 1957, she produced “Death of a Valley,” documenting the disastrous human and environmental costs of a dam near Sacramento. *Life* refused it. In the late 1950s she took on the role of diplomat’s wife, traveling to Vietnam with Taylor, who was still working for the Department of Agriculture. His notions of agrarian reform were soon eclipsed by the plans of Young Turks besotted with visions of falling dominoes. Taylor’s New Deal version of social democracy had no place in Cold War policy. Lange died soon afterward, of esophageal cancer.

Lange and the FSA photographers are only a few of many players in Morris Dickstein’s *Dancing in the Dark*. His canvas is crowded with the great and near-great: John Steinbeck and James Agee, Bing Crosby and Louis Armstrong, Fred Astaire and Ginger Rogers, Clark Gable and Claudette Colbert—and with every classic 1930s text from *Porgy and Bess* to *Pastures of Plenty*. Dickstein is a thoughtful critic and a humane man. One can challenge his aesthetic judgments but not his generosity of spirit. He provides a feast of novels, movies, popular songs, and Broadway shows, replete with perceptive readings, abundant quotations, and detailed summaries. But he does not provide what his subtitle promises, “a cultural history of the Great Depression.” *Dancing in the Dark* is full of fascinating ideas and insights, but grounded historical interpretation is not on the agenda.

Dickstein’s long opening section encompasses the impulse that animated Lange and the FSA—“Discovering Poverty.” But he pays little attention to the documentary photographers, beginning instead with Michael Gold’s proletarian novel *Jews*

Without Money and Henry Roth’s extraordinary *Call It Sleep*, a psychoanalyti-

cally inflected account of “childhood as sheer terror” in a Jewish immigrant family. From there he moves to the early Depression films *I am a Fugitive from a Chain Gang* and *Wild Boys of the Road*, both of which address the theme that came to full fruition in *The Grapes of Wrath*: “ordinary people uprooted from a stable life.” Then it is on to lengthy appreciations of Steinbeck’s novels and a briefer account of Agee’s “unashamedly difficult” *Let Us Now Praise Famous Men*—his account of Alabama tenant farmers that epitomized the anti-intellectualism of 1930s intellectuals in the anguished cry: “If I could do it, I’d do no writing here at all.” For all their differences in style, Steinbeck and Agee shared a reverence for the People that could not be found in the novelist Nathanael West, Dickstein’s next example, whose

"people who had come to California to die" were the atomized crowd of mass society: "They were savage and bitter," West wrote, "especially the middle-aged and the old, and had been made so by boredom and disappointment." There follows a consideration of Faulkner's *As I Lay Dying*—also a novel about uprooted poor folk, if not specifically keyed in to the Depression—then a glance at the poets Wallace Stevens, William Carlos Williams, and Robert Frost (whose "Home Burial" goes against the collectivist Depression grain by emphasizing "the radical separateness of every human creature"), and finally a reading of Richard Wright's *Native Son*, which like *The Grapes of Wrath* revealed the coming of age of the radical novel even "when it was set to expire, undone by the patriotism and prosperity ushered in by the war," juxtaposed with an appreciation of Zora Neale Hurston's vitalism in *Their Eyes Were Watching God*. All these texts are subsumed in more than 200 pages of "Discovering Poverty."

By now it should be clear that the very comprehensiveness of Dickstein's coverage undermines his attempt to write cultural history. While his readings of individual texts are often compelling, there is little thematic coherence in his movement from one text to another, as we lurch from Agee to West to Faulkner to the poets, who seem not to belong in this book at all. "For Stevens, as for Williams and Frost, the challenge ... was not how to live or how to save the world, but how to go on writing," Dickstein says. It is hard to see how this challenge, a timeless one for any serious writer, has anything specifically to do with the Depression.

Throughout, *Dancing in the Dark* reveals the defect of its virtue: Admirably broad inclusiveness skirts the edge of incoherence. In the next section, "Success and Failure," F. Scott Fitzgerald huddles with Busby Berkeley, James T. Farrell, and Clifford Odets, gangsters with wisecracking dames. Fitzgerald's story "Absolution," from 1925, gets extended and thoughtful treatment; it's a wonderful story, but the reason for its inclusion in a cultural history of the Depression is unclear. The following section, "The Culture of Elegance"

evokes Dickstein's most fervent enthusiasm and most coherent argument. He claims that the urban world of Art Deco design, swing jazz, and screwball comedy embodied fantasies of energy and mobility that appealed to people who were stuck in dead-end jobs or no jobs at all or who were forced into movement that was anything but freely chosen. He also comes up with some of his sharpest insights: *Bringing Up Baby* showed "how to make a movie about sex with no actual sex in it," and Louis Armstrong employed a "call-and-response ... between the soloists and sidemen," while Duke Ellington used "multiple soloists in conversation, grounded by the beat of the strong rhythm section, rich with the expressiveness of the blues, yet moving forward with a relentless dynamic energy."

"The Culture of Elegance" is also the setting for Dickstein's enormously suggestive title, taken from a song written in 1931 and popularized by Bing Crosby later in the decade:

*Dancing in the dark, till the tune ends,
We're dancing in the dark and it
soon ends,
We're waltzing in the wonder of why
we're here,
Time hurries by, we're here ... and gone;*

*Looking for the light of a new love,
To brighten up the night, I have you love,
And we can face the music together,
Dancing in the dark.*

As Dickstein observes, the song works on many levels, evoking "the darkened ballroom, our own darkest feelings, the existential limits of the human condition, or the ongoing troubles of the Depression." But he wants it to stand for the best of Depression culture, or the parts he likes best: "Dancing in the dark is a way of asserting a life-saving grace, unity, and style against the encroaching darkness." So this is where Ellington and Armstrong and Benny Goodman get to take a bow, along with Irving Berlin and George and Ira Gershwin, not to mention Fred Astaire and Ginger Rogers. Unlike the plodding proletarian novel, the urban "Culture of Elegance" gets us on our feet and dancing.

After this paean to metropolitan life (or the fantasy of it) Dickstein's concluding section—"The Search for Community"—seems an anticlimax. Woody Guthrie and Frank Capra just can't stay in the game with Fred and Ginger.

Dickstein's central metaphor is powerful, but he doesn't follow through on its full implications. No one can deny the appeal of people reasserting their vitality against the implacable force of adversity. But in his understandable focus on the dancing, Dickstein neglects the enveloping dark. Occasionally he gestures toward the larger experience of life in the Depression, as when he acknowledges Caroline Bird's emphasis on the "fear of falling" among the middling classes, the people who had something to lose and often did lose everything. For these people and their children, the experience of loss promoted "idealism in some, an unappeasable hunger for money and security in others," Dickstein observes. The observation begs for elaboration, beginning with the thought that idealism and security-hunger could coexist in the same mind and extending to the question of how this ambivalence shaped middle-class culture during subsequent decades. The middle classes occasionally enter Dickstein's version of Depression culture, certainly more often than they appear in the FSA photographs that have fixed our cultural memory of that era. But even Dickstein's capacious canvas remains largely devoted to rural poverty and urban affluence (or the dream of it). The people in the middle, or on other kinds of margins, remain largely invisible—genteel housewives reduced to scrubbing other people's floors; ambitious students forced to sacrifice life plans; traveling salesmen with nowhere to go and no one to buy their goods. Like the file drawers full of FSA photographs, unexamined except by the occasional scholar, they remind us of how much we still have to learn about the cultural history of the Great Depression. **TAP**

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Jackson Lears is editor of *Raritan* and author, most recently, of *Rebirth of a Nation: the Making of Modern America, 1877-1920*.

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Hope Against History

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FIVE TO RULE THEM ALL: THE UN SECURITY COUNCIL AND THE MAKING OF THE MODERN WORLD BY DAVID L. BOSCO, Oxford University Press, 310 pages, \$24.95

BY SASHA POLAKOW-SURANSKY

In April, as earnest diplomats puzzled over Polisario's latest moves in the Western Sahara and the most recent developments in Darfur, a visibly shaken news anchor reported that a Ugandan had seized control of the United Nations, threatening to reduce agricultural funding to any country opposing his rule. The self-appointed secretary-general refused to step down—unless he was offered a more powerful position as a little league coach or small-town mayor. So ran a newscast by the Onion News Network, an offshoot of the satirical newspaper *The Onion*, deriding the U.N. more effectively than a position paper from the Heritage Foundation.

Hard though it may be to remember today, the U.N. was once seen as a great step forward for humanity. In the heady postwar years, as David L. Bosco recounts in his engaging history of the U.N. Security Council, the new parliament of nations was initially an object of great respect and curiosity, and its televised sessions became an international spectacle, culminating in U.S. Ambassador Adlai Stevenson's dramatic *J'Accuse* speech to the General Assembly during the 1962 Cuban missile crisis. But as Soviet vetoes piled up during the Cold War and the U.N. failed to fulfill its mission of maintaining the peace, its credibility waned.

Today, after eight years of a U.S. administration that was openly disdainful of the U.N., fans of multilateralism and international law are hoping for a renaissance on the East River. But as Columbia University historian Mark Mazower warns in his elegantly written intellectual history of the organization, the U.N. is not—and has never been—quite what it seems. In their rush

to portray liberal internationalism as the height of human achievement, too many historians have forgotten what Mazower regards as the real ideological impulse behind the U.N.'s creation: preservation of the British Empire and white rule over Europe's colonial possessions.

No one was more central to this effort than the South African statesman Jan Smuts. After his defeat in the Boer War, Smuts made peace with London and soon became a major figure in the British Commonwealth. He helped design the failed League of Nations and led South Africa into war alongside the allies in World War II. At the founding of the U.N. in San Francisco in 1945, he was responsible for drafting the preamble to the U.N. Charter, with its stirring appeal to "save succeeding generations from the scourge of war" and uphold the "equal rights of men and women and of nations large and small."

But Smuts was also a committed imperialist and white supremacist who viewed racial mixing as "dishonourable" and referred to the world's great unwashed as "dependent peoples, still unable to look after themselves." In San Francisco, only the African American intellectual W.E.B. Du Bois took Smuts to task, declaring, "We have conquered Germany ... but not their ideas. We still believe in white supremacy, keeping Negroes in their place and lying about democracy when we mean imperial control of 750 millions of human beings in colonies." Although Du Bois and his anti-imperialist colleagues were largely ignored at the time, they would eventually get their way. As Mazower chronicles, the U.N. "turned astonishingly quickly into a key forum for anticolonialism" as India attacked South Africa's pre-apartheid segregation poli-

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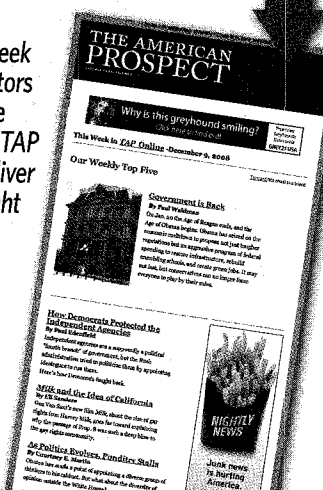
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cies, old colonies gained independence, and an Afro-Asian bloc emerged.

The early U.N. also suffered from a fundamental disagreement over minority rights, and in this debate two European Jewish refugees, Raphael Lemkin and Joseph Schechtman, represented opposite poles. Lemkin coined the term "genocide" and almost single-handedly brought about the U.N. Genocide Convention, whereas Schechtman saw the wholesale transfer of minority populations as a solution to interethnic conflict—a remedy that was proposed for Palestine at the time and still has support on the Israeli right. At its core, the question was, as Mazower puts it succinctly, "Would the postwar order support the hopes of the believers in international law, or the proponents of ethnical homogeneity?" The Genocide Convention did come into force in 1951, but Lemkin's law failed to prevent the numerous slaughters of subsequent decades.

Bosco's book is a play-by-play account of the Security Council's many failures and few triumphs. After decades of Cold War bickering, Bosco argues, the Security Council's handling of the Iran-Iraq War in 1987-1988 came as a breakthrough that restored some of the U.N.'s credibility, though the circumstances were unusual. None of the Permanent Five, he writes, "desired a clear victory by either Iran or Iraq, and all feared the further disruption of shipping in the Gulf." But it was this success that made "a host of conflicts that were untouchable during the Cold War ... eligible for resolution"—from Namibia to Nicaragua to Cambodia. The consensus of the Permanent Five during the Gulf War of 1990-1991 was perhaps the council's greatest display of cooperation ever.

Soon afterward, then Secretary-General Boutros Boutros-Ghali proposed creating a U.N. rapid-response force that could serve at the council's behest. The idea remains popular in certain Western diplomatic circles, but it's a nonstarter as long as two members of the Permanent Five, China and Russia, vehemently defend state sovereignty and are friendly with the very regimes Western governments want to punish, such as Sudan and Zimbabwe. The ideological paralysis of the Cold War years has today been replaced



Present At The U.N.'s Creation: South African Premier Jan Smuts (left), with British Foreign Secretary Anthony Eden, in San Francisco, 1945.

by a Security Council stalemate on the question of whether a state's sovereignty may ever be violated. In such an environment, the doctrine of the "responsibility to protect"—the idea that the U.N. should protect civilians from abuse by their own governments—faces major hurdles.

Modern-day Lemkins find themselves fending off the charge that they are the ideological heirs of Smuts, colonialists cloaked in the liberal-sounding rhetoric of human rights. These days Western activists and some wealthy Western governments routinely denounce human-rights violations in Third World countries. "Forgetful of their colonial past, Western states see in their liberalism only the benign face of a universal aspiration. Yet the states they target are generally those that have emerged recently from out of the rubble of those empires," Mazower writes. Left-wing critics of the Save Darfur movement, such as Mazower's Columbia colleague Mahmood Mamdani, have decried this sort of behavior as a form of modern-day imperialism, drawing the ire of liberal interventionist critics who reject absolutist conceptions of state sovereignty and believe in the responsibility to protect. The liberal interventionists retort that the Mamdanis of the world are at best extremists

AP IMAGES

obsessed with the ghosts of empire and at worst apologists for genocide.

But whether or not the liberal interventionists get their way, there is little evidence that the U.N. would have the muscle to do much serious protecting. As Bosco himself damningly concludes after assessing the Security Council's failures in Bosnia and Rwanda, the U.N.'s approach

shamed its powerful members," Bosco argues, "were cowed into silence or convinced that public disharmony was worse than unified inaction."

Critics on the left and the right who decry the U.N.'s loss of moral purpose or expect the U.N. to play the leading role in resolving the world's problems, Mazower argues, have fundamentally misunderstood the organization's history and evolution, and he is skeptical that Security Council reform, a rapid-response force, or other proposed panaceas will fundamentally alter the status quo. Any efforts by the U.N. "to engineer a revolution in international law, in human-rights enforcement, or in democratic values are probably doomed to fail," he concludes.

Ironically, despite Bosco's broader arguments about the Security Council's indispensability, his scathing and honest analysis of the Permanent Five's failures in Bosnia and Rwanda supports a conclu-

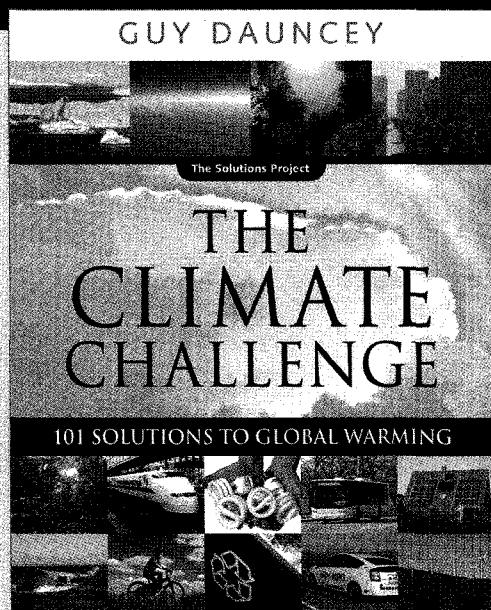
sion similar to Mazower's. Indeed, the evidence he cites to prove that the Security Council "is very much alive" ("nearly 100,000 peacekeepers around the world respond to its orders" and "powerful countries send their most accomplished diplomats to represent them in the body") sounds like faint praise after his accounts of Srebrenica and Rwanda.

Bosco is absolutely right that "the benefits of routine and institutionalized consultation among the great powers outweigh the costs." But what good are 100,000 peacekeepers when Gen. Dallaire and others like him are barred from using them to forestall a genocide in progress? The U.N. has yet to prove its capacity to act when state sovereignty stands in the way of justice and human rights. **TAP**

Sasha Polakow-Suransky is an associate editor at Foreign Affairs. His book, The Unspoken Alliance: Israel's Secret Relationship with Apartheid South Africa, will be published by Pantheon next May.

The U.N. has yet to prove it can act when state sovereignty stands in the way of justice and human rights.

was flawed conceptually and ethically, crippled by its failure to "distinguish between the perpetrators of violence and the victims." Moreover, the compulsion for the Permanent Five to appear united created a perverse incentive to do nothing as hundreds of thousands of Tutsis were murdered in April 1994 and Canadian Gen. Romeo Dallaire's U.N. peacekeepers were ordered to stand aside. "Those on the council who might have publicly

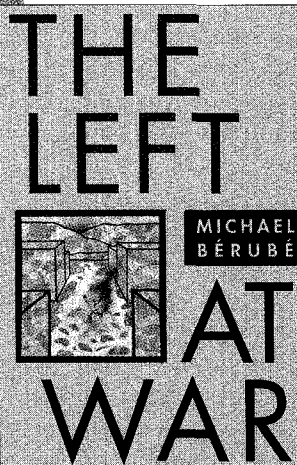


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The 1960s, Refracted by Rick Perlstein

One summer over 15 years ago, three books crossed my horizon at exactly the same time. One was Greg Tate's *Flyboy in the Buttermilk*. The second was Stanley Crouch's *Notes of a Hanging Judge*. The third was Lisa Jones' *Bulletproof Diva*. Read simultaneously, they sent me into a fugue state. They were, indeed, a fugue: three story lines entwining

contrapuntally across the same harmonic field. All of them were collections of columns from the *Village Voice* from the late 1970s through the early 1990s, essayistic commentary from an African American perspective, intellectually allusive, mostly on culture but also suffusively political. Each author's obsessions overlapped: the politics of black music, of style, of gender; the meaning of freedom and community—and, most dramatically, their common psychic entanglement with a single fraught figure: LeRoi Jones/Amiri Baraka, the black nationalist poet and jazz writer who came to prominence in the 1960s.

Lisa Jones was his daughter, the product of an interracial marriage that the integrationist "Jones" had abandoned on the way to becoming the separatist "Baraka." Greg Tate was his spiritual son, wrestling anxiously with how "the cat made me want to throw down on a typewriter in the first place." Stanley Crouch, the neo-connish former black nationalist mugged by reality, affected to despise him but was clearly too obsessed with Jones/Baraka not to have loved him—a tangle of pathology.

Lisa Jones, Greg Tate,

Stanley Crouch, Amiri Baraka ... and Rick Perlstein. For the early-20s version of myself had also long been obsessed with Jones/Baraka, with an intensity that perhaps only a broodingly alienated hyper-intellectual jazz musician from a Jewish suburb of Milwaukee, Wisconsin, could muster.

I read those books with a soul-forging intensity, and one of the reasons can be recognized by those who know my own writing about the campaigns of Barry Goldwater and Richard Nixon: I have always been haunted, oppressed, liberated by my obsession with the 1960s, and these books made up, together, a refracted argument about the 1960s. But more, they were fiercely of the '60s. Because—permit me a paradox—they were ferociously of the present: They were all by essayists with hungry eyes, and hungry I's, devouring the passing scene, mashing the social world down to its constituent molecules, in order to try to make sense of how this moment they happened to live in tasted, digested, and recombined differently from any other. And they were writers for whom the crafting of a style, of an original voice, was crucial to, indeed inseparable

from, the way they made the world make sense.

All the other books that most shaped me to that point were similar such collections of hungry-eyed and hungry-I'd essayists working over the passing scene. Main difference for me: Those people were writing in the 1960s. James Baldwin. Joan Didion. Tom Wolfe. Garry Wills. Even Jones/Baraka. The fact that the three books I read that summer—come to think of it, the summer I decided I had to move to New York to become a writer—were doing the same thing, only in my own day and age, was the significant thing. That meant it could still be done.

I could write that way too.

But when I came to New York I found that the age of Harold Hayes and the *Village Voice* had pretty much passed—a time when hungry-eyed editors at even the most apparently banal magazines (the chapters in my favorite 1960s essay collection, Didion's *Slouching Towards Bethlehem*, appeared in places like *The Saturday Evening Post*, *Vogue*, and *Holiday*) were keen to patronize young writers essaying upon the passing scene. It was the

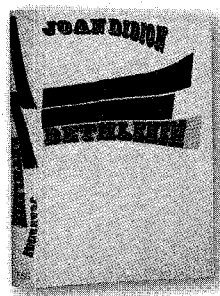
1990s; "Choking at the Bowl: Why Do Men Have Trouble Urinating at Ballparks" was *Slate's* version of the new journalism. And so maybe that was how in my own oeuvre, whatever small measure of illumination I've been able to cast on the present, the kind of pieces I came to New York to write became scarce. Instead I found my voice writing about the 1960s. But really in order to be of the 1960s: to be one of them, a Didion, a Wolfe, a Wills. I throw down on what used to be called a "typewriter" in order to somehow summon the fantasy that I'm in that literary world, arguing those same arguments, immersed in that level

of psychic intensity, in and about a world in which the most basic questions about reality and social organization were up for grabs, as they would have seemed to any

especially alert observer who was just recording the passing scene, circa 1969.

So I write about what they write about, which happens to be the passing scene, circa 1969. Though I do so by now without nostalgia or regret, hoping that I, too, have crafted a style and a voice inseparable from the way I make the world make sense. **TAP**

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Rick Perlstein is the author of *Nixonland: The Rise of a President and the Fracturing of America*.



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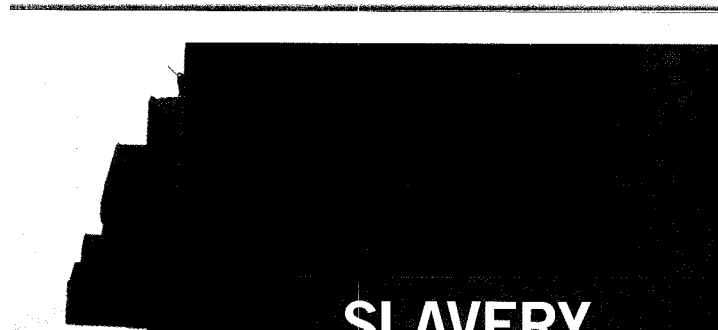
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